UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FOURSQUARE LABS, INC.,

Plaintiff,

v.

BLUE CALYPSO, INC.,

Defendant.

Civil Action No. 13-cv-3092 (CM)

JURY TRIAL DEMANDED

SECOND AMENDED COMPLAINT FOR DECLARATORY JUDGMENT OF PATENT INVALIDITY AND NON-INFRINGEMENT

Plaintiff Foursquare Labs, Inc. ("Foursquare"), by and through its undersigned counsel, complains and alleges against Defendant Blue Calypso, Inc. ("Blue Calypso") as follows:

INTRODUCTION

1. This is an action for declaratory relief pursuant to Federal Rule of Civil Procedure 57 and 28 U.S.C. § 2201. Foursquare seeks a declaration that U.S. Patent No. 8,438,055 ("the '055 patent") (annexed hereto as Exhibit A); U.S. Patent No. 8,452,646 ("the '646 patent") (annexed hereto as Exhibit B); and U.S. Patent No. 8,457,670 ("the '670 patent") (annexed hereto as Exhibit C) (collectively, "the patents-in-suit") are invalid and a declaration that Foursquare does not infringe the patents-in-suit. This action arises out of allegations by Blue Calypso that Foursquare infringes one or more claims of the patents-in-suit and is based on the patent laws of the United States, 35 U.S.C. § 100 *et seq.*

PARTIES

2. Foursquare is a Delaware corporation with its principal place of business at 568 Broadway, 10th Floor, New York, NY 10012.

3. On information and belief, Defendant Blue Calypso is a Delaware corporation, with its principal place of business at 19111 North Dallas Parkway, Suite 200, Dallas, Texas 75287.

JURISDICTION AND VENUE

4. This action arises under the patent laws of the United States, 35 U.S.C. § 101 *et seq.*, and the Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.* This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a).

5. This Court has personal jurisdiction over Blue Calypso.

6. Upon information and belief, a substantial part of the events giving rise to the claims occurred in this district. Venue in this Court is thus proper under 28 U.S.C. § 1391. Venue is further proper under 28 U.S.C. § 1400(b).

FIRST CLAIM FOR RELIEF

DECLARATION OF INVALIDITY OF U.S. PATENT NO. 8,438,055

7. Foursquare hereby incorporates by reference and realleges each and every allegation of the preceding paragraphs.

8. An actual and justiciable controversy requiring declaratory relief exists between Foursquare and Blue Calypso regarding the validity of the '055 patent.

9. The claims of the '055 patent are invalid for failure to comply with the requirements of 35 U.S.C. § 101 *et seq.*, including without limitation, §§ 101, 102, 103 and/or 112.

10. Foursquare hereby seeks a declaration that the claims of the '055 patent are invalid.

SECOND CLAIM FOR RELIEF

DECLARATION OF NON-INFRINGEMENT OF U.S. PATENT NO. 8,438,055

11. Foursquare hereby incorporates by reference and realleges each and every allegation of the preceding paragraphs.

12. An actual and justiciable controversy requiring declaratory relief exists between Foursquare and Blue Calypso regarding infringement of the '055 patent.

13. Foursquare has not infringed and does not infringe directly, jointly, contributorily, or by inducement any valid and enforceable claim of the '055 patent, either literally or under the doctrine of equivalents.

14. Foursquare hereby seeks a declaration that it does not infringe the '055 patent or contribute to or induce infringement by others.

THIRD CLAIM FOR RELIEF

DECLARATION OF INVALIDITY OF U.S. PATENT NO. 8,452,646

15. Foursquare hereby incorporates by reference and realleges each and every allegation of the preceding paragraphs.

16. An actual and justiciable controversy requiring declaratory relief exists between Foursquare and Blue Calypso regarding the validity of the '646 patent.

17. The claims of the '646 patent are invalid for failure to comply with the requirements of 35 U.S.C. § 101 *et seq.*, including without limitation, §§ 101, 102, 103 and/or 112.

18. Foursquare hereby seeks a declaration that the claims of the '646 patent are invalid.

FOURTH CLAIM FOR RELIEF

DECLARATION OF NON-INFRINGEMENT OF U.S. PATENT NO. 8,452,646

19. Foursquare hereby incorporates by reference and realleges each and every allegation of the preceding paragraphs.

20. An actual and justiciable controversy requiring declaratory relief exists between Foursquare and Blue Calypso regarding infringement of the '646 patent.

21. Foursquare has not infringed and does not infringe directly, jointly, contributorily, or by inducement any valid and enforceable claim of the '646 patent, either literally or under the doctrine of equivalents.

22. Foursquare hereby seeks a declaration that it does not infringe the '646 patent or contribute to or induce infringement by others.

FIFTH CLAIM FOR RELIEF

DECLARATION OF INVALIDITY OF U.S. PATENT NO. 8,457,670

23. Foursquare hereby incorporates by reference and realleges each and every allegation of the preceding paragraphs.

24. An actual and justiciable controversy requiring declaratory relief exists between Foursquare and Blue Calypso regarding the validity of the '670 patent.

25. The claims of the '670 patent are invalid for failure to comply with the requirements of 35 U.S.C. § 101 *et seq.*, including without limitation, §§ 101, 102, 103 and/or 112.

26. Foursquare hereby seeks a declaration that the claims of the '670 patent are invalid.

SIXTH CLAIM FOR RELIEF

DECLARATION OF NON-INFRINGEMENT OF U.S. PATENT NO. 8,457,670

27. Foursquare hereby incorporates by reference and realleges each and every allegation of the preceding paragraphs.

28. An actual and justiciable controversy requiring declaratory relief exists between Foursquare and Blue Calypso regarding infringement of the '670 patent.

29. Foursquare has not infringed and does not infringe directly, jointly, contributorily, or by inducement any valid and enforceable claim of the '670 patent, either literally or under the doctrine of equivalents.

30. Foursquare hereby seeks a declaration that it does not infringe the '670 patent or contribute to or induce infringement by others.

PRAYER FOR RELIEF

WHEREFORE, Foursquare prays for an order entering judgment as follows:

A. Declaring that the claims of the '055 patent are invalid.

B. Declaring that Foursquare has not infringed and does not infringe directly, jointly, contributorily, or by inducement any valid and enforceable claim of the '055 patent, either literally or under the doctrine of equivalents.

C. Declaring that the claims of the '646 patent are invalid;

D. Declaring that Foursquare has not infringed and does not infringe directly, jointly, contributorily, or by inducement any valid and enforceable claim of the '646 patent, either literally or under the doctrine of equivalents;.

E. Declaring that the claims of the '670 patent are invalid;

F. Declaring that Foursquare has not infringed and does not infringe directly, jointly, contributorily, or by inducement any valid and enforceable claim of the '670 patent, either literally or under the doctrine of equivalents;

G. Awarding Foursquare its costs in this matter;

H. Awarding Foursquare its attorneys' fees pursuant to 35 U.S.C. § 285; and

I. Awarding any other and further relief as the Court may deem just and proper.

JURY DEMAND

Foursquare demands a trial by jury on all issues so triable.

Date July 29, 2013

Respectfully submitted,

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Counsel for Foursquare Labs, Inc.

Exhibit A

(12) **United States Patent**
Levi et al.

(10) **Patent No.: US 8,438,055 B2**
(45) **Date of Patent: *May 7, 2013**

(54) **SYSTEM AND METHOD FOR PROVIDING ENDORSED ADVERTISEMENTS AND TESTIMONIALS BETWEEN COMMUNICATION DEVICES**

(75) Inventors: **Andrew E. Levi**, Plano, TX (US); **Bradley W. Bauer**, Richardson, TX (US)

(73) Assignee: **Blue Calypso, LLC**, Dallas, TX (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 344 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: **12/803,635**

(22) Filed: **Jul. 1, 2010**

(65) **Prior Publication Data**

US 2012/0004971 A1 Jan. 5, 2012

(51) **Int. Cl.**
G06Q 30/00 (2012.01)

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

(58) **Field of Classification Search** 705/14
See application file for complete search history.

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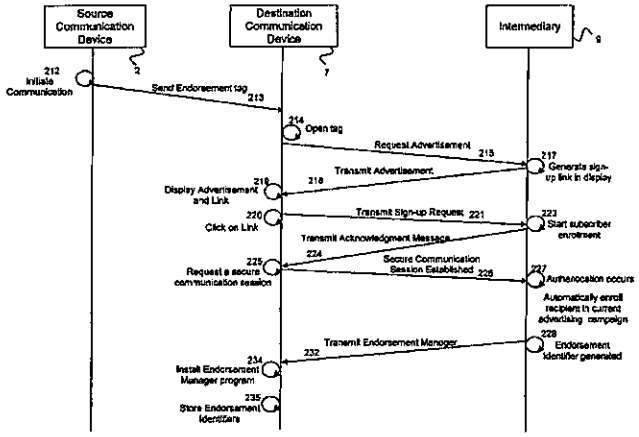
(Continued)

Primary Examiner — Saba Dagnew
(74) *Attorney, Agent, or Firm* — Schultz & Associates, P.C.

(57) **ABSTRACT**

A system and method are disclosed for distribution of advertisements between communication devices. The system and method provides for accounting and distribution of incentives related to distribution of the advertisements. The system further provides for association of testimonials from advertising recipients related to the advertisement and for distribution of the testimonials to communication devices. A bi-directional selection between subscribers and advertisers using the system is created whereby both advertisers and subscribers agree to participate in the distribution of advertisements and testimonials.

14 Claims, 12 Drawing Sheets



Automatic Subscriber Enrollment Process

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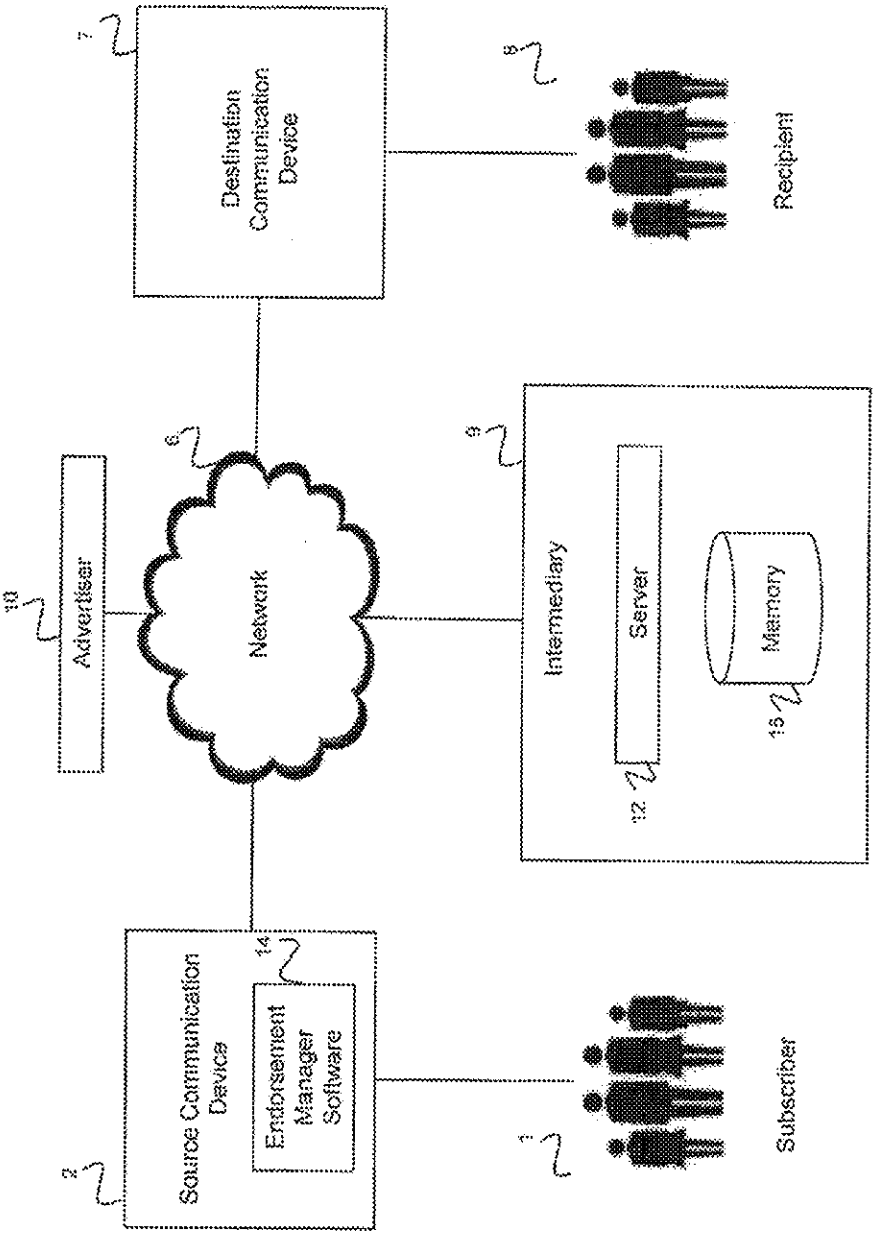
7
Destination Communication Device
8
Recipient
6
Network
9
Intermediary
Server
12
Memory
13
10
Advertiser
2
Source Communication Device
14
Endorsement Manager Software
1
Subscriber

Figure 1

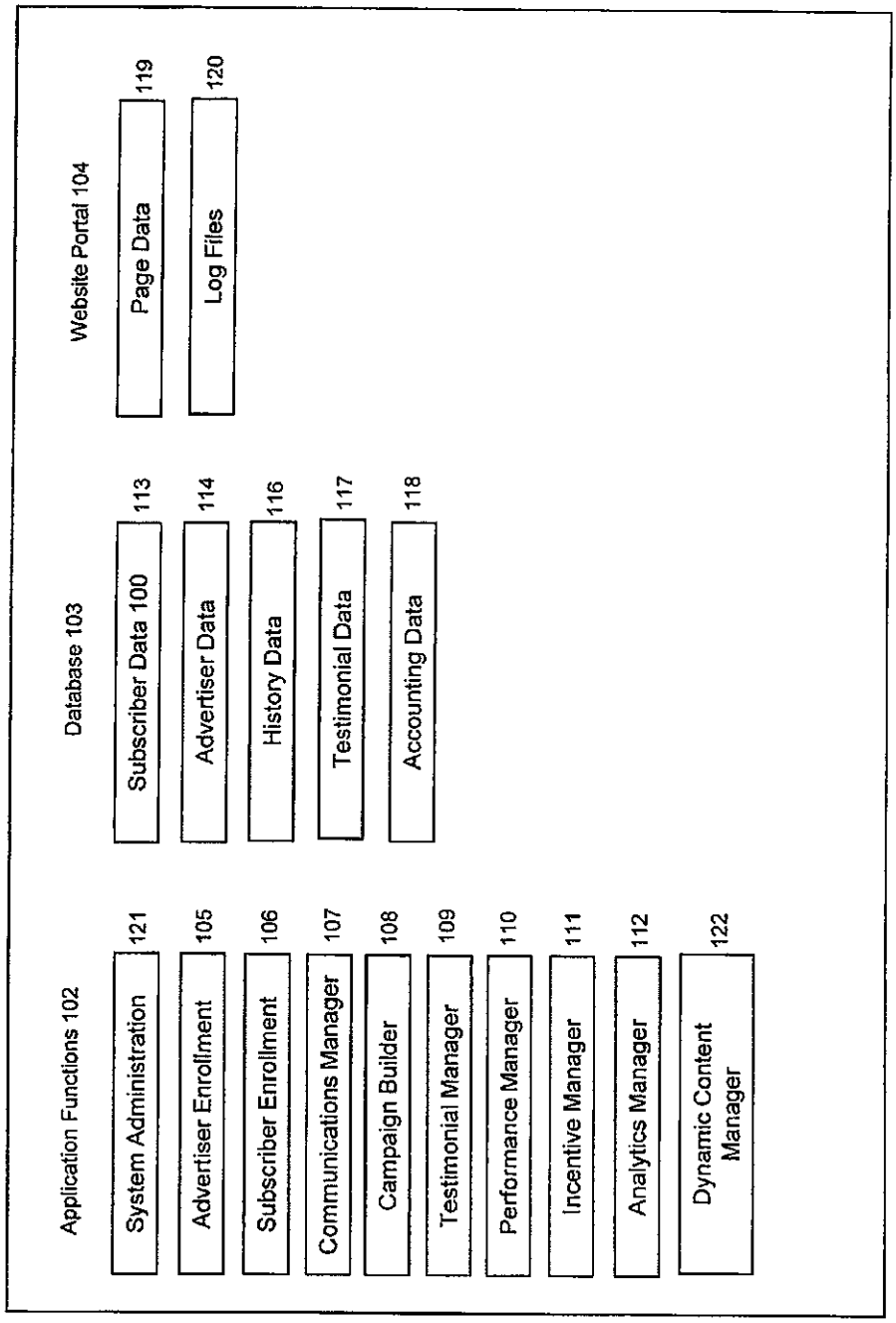
Application Functions 102
System Administration 121
Advertiser Enrollment 105
Subscriber Enrollment 106
Communications Manager 107
Campaign Builder 108
Testimonial Manager 109
Performance Manager 110
Incentive Manager 111
Analytics Manager 112
Dynamic Content Manager 122
Database 103
Subscriber Data 100 113
Advertiser Data 114
History Data 116
Testimonial Data 117
Accounting Data 118
Website Portal 104
Page Data 119
Log Files 120
Intermediary 9

Figure 2

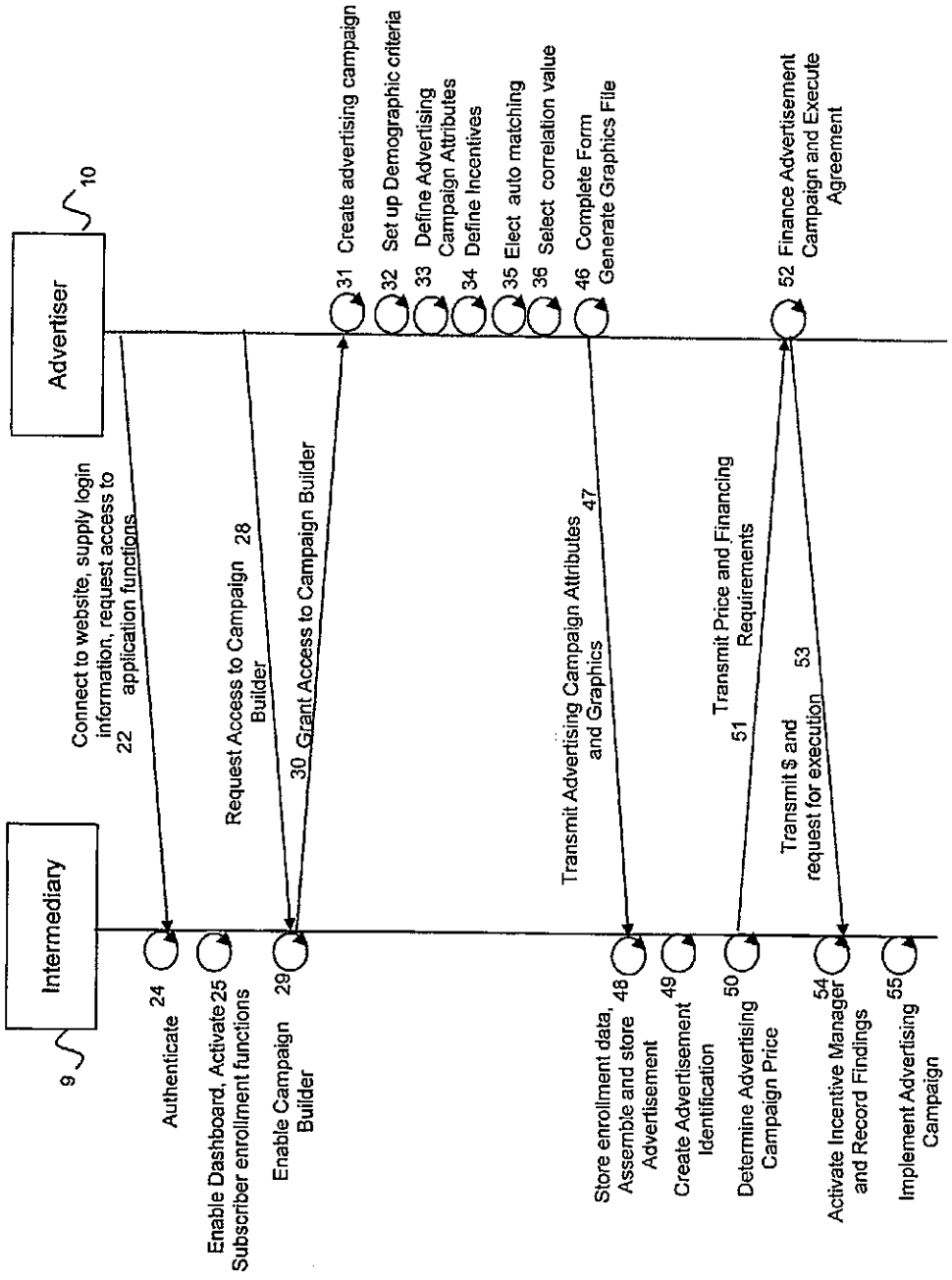

Figure 3 Advertiser Enrollment Process

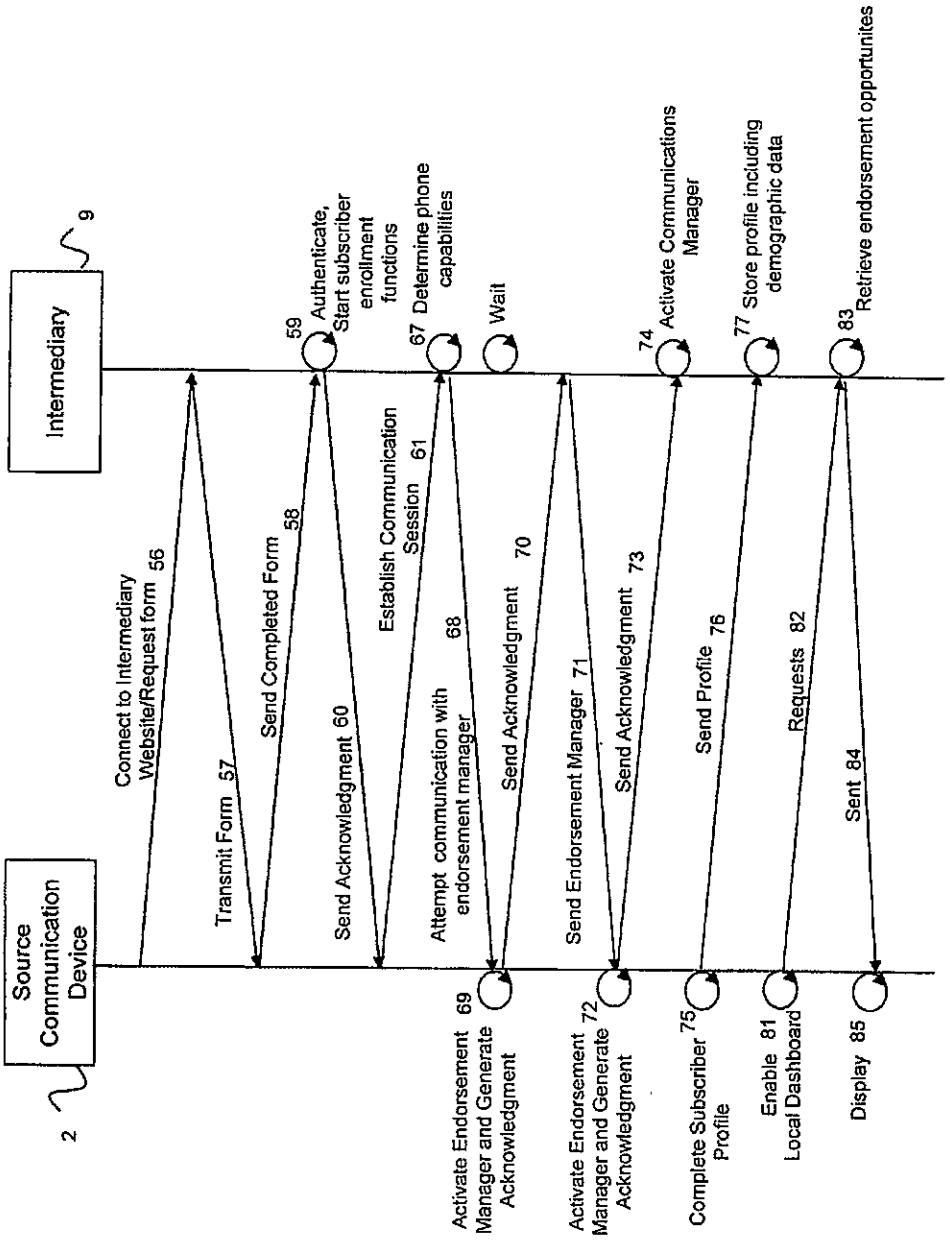

Figure 4 Subscriber Sign Up Process

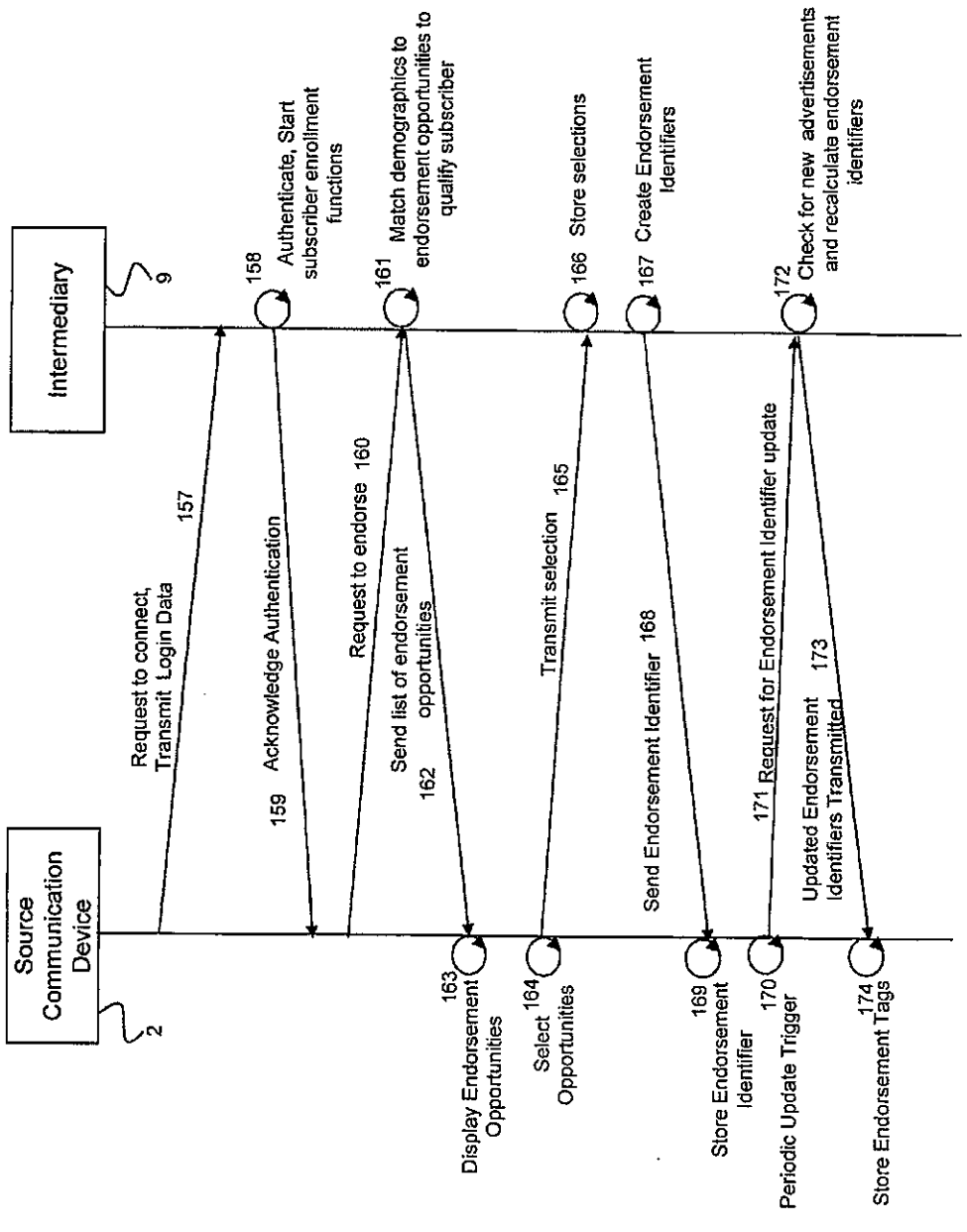

Figure 5A Manual Subscriber Enrollment Process

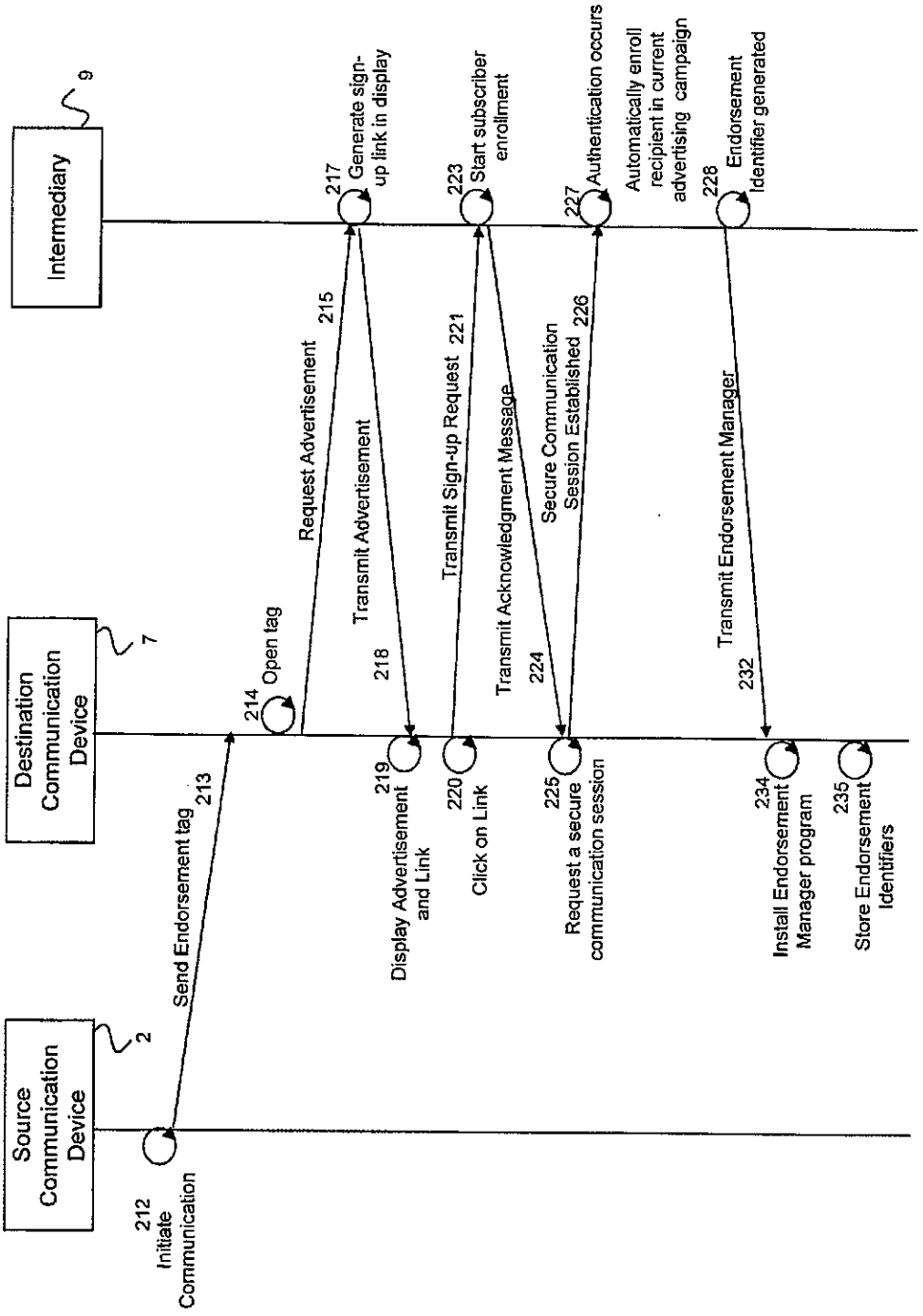

Figure 5B Automatic Subscriber Enrollment Process

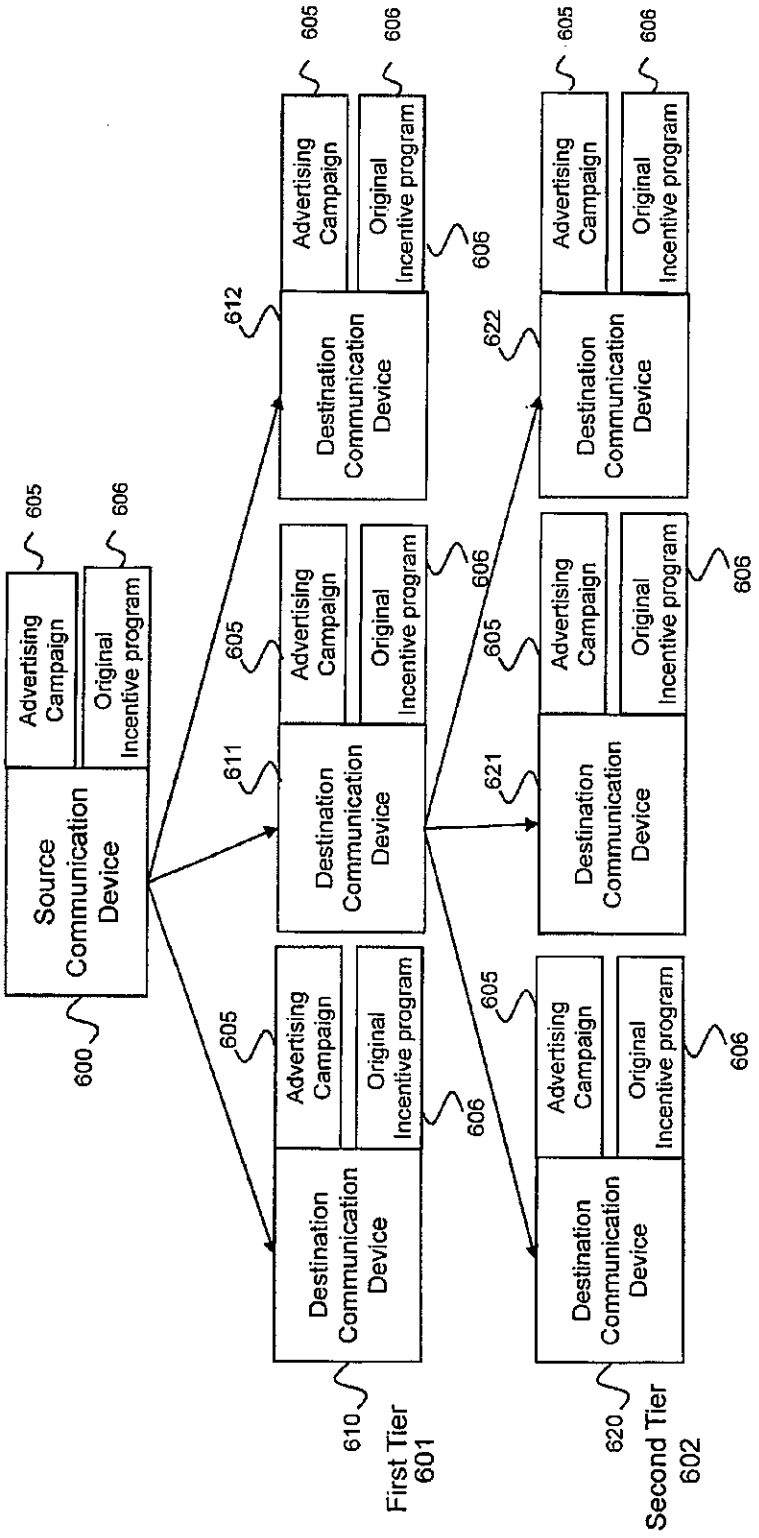

Figure 5C Automatic Multi-Tier Subscriber Enrollment Process

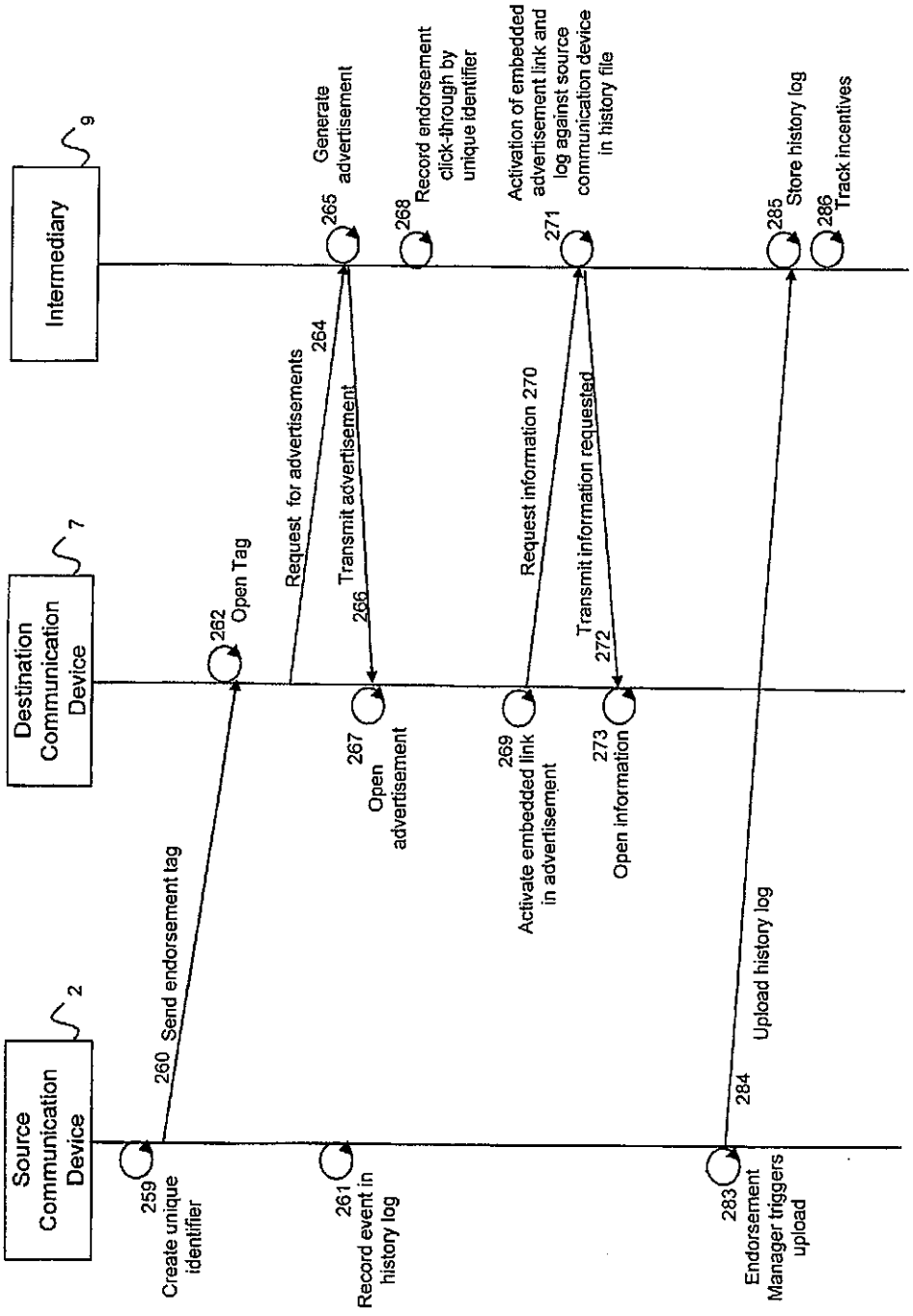

Figure 6 Advertisement Distribution Process

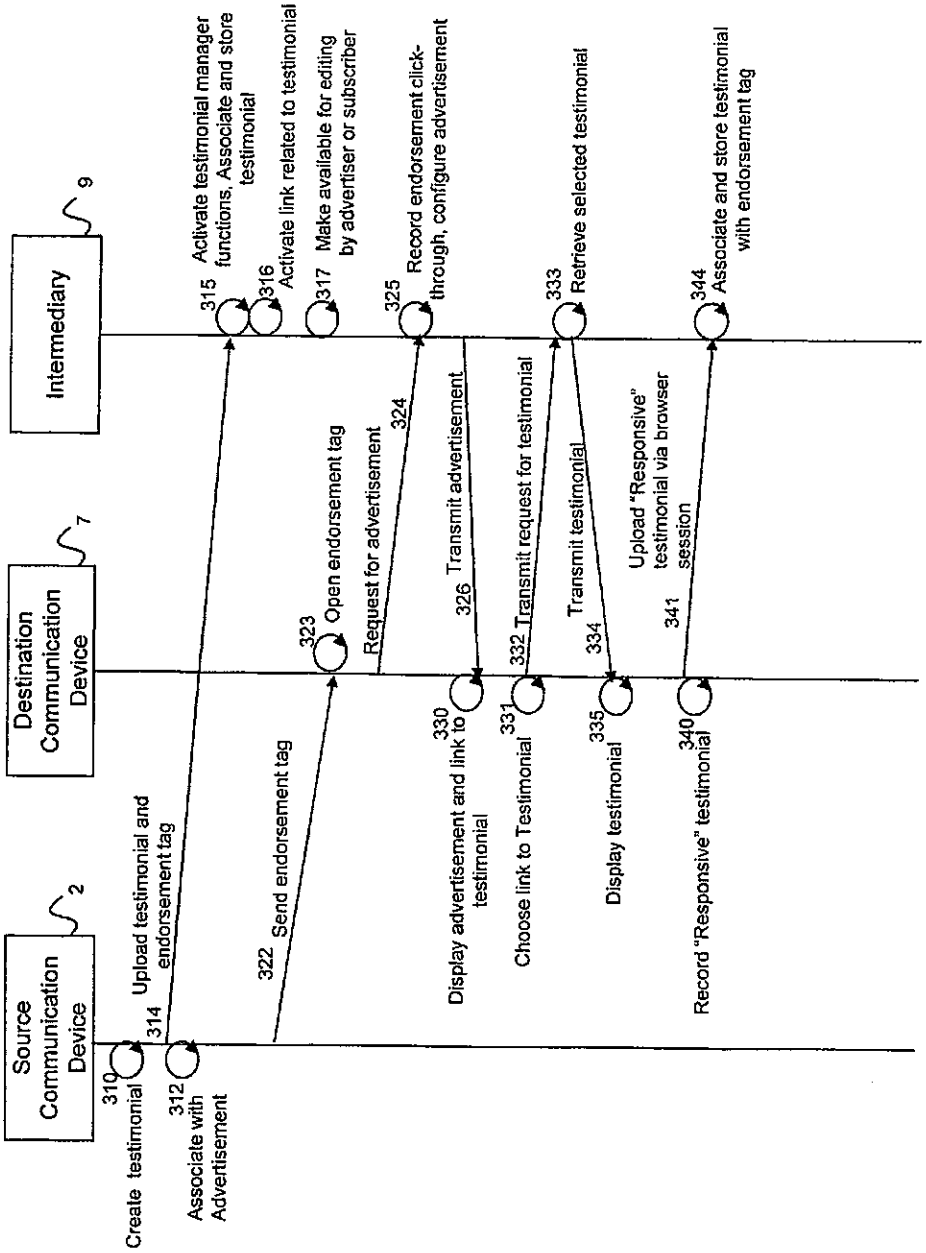

Figure 7 Testimonial Distribution Process

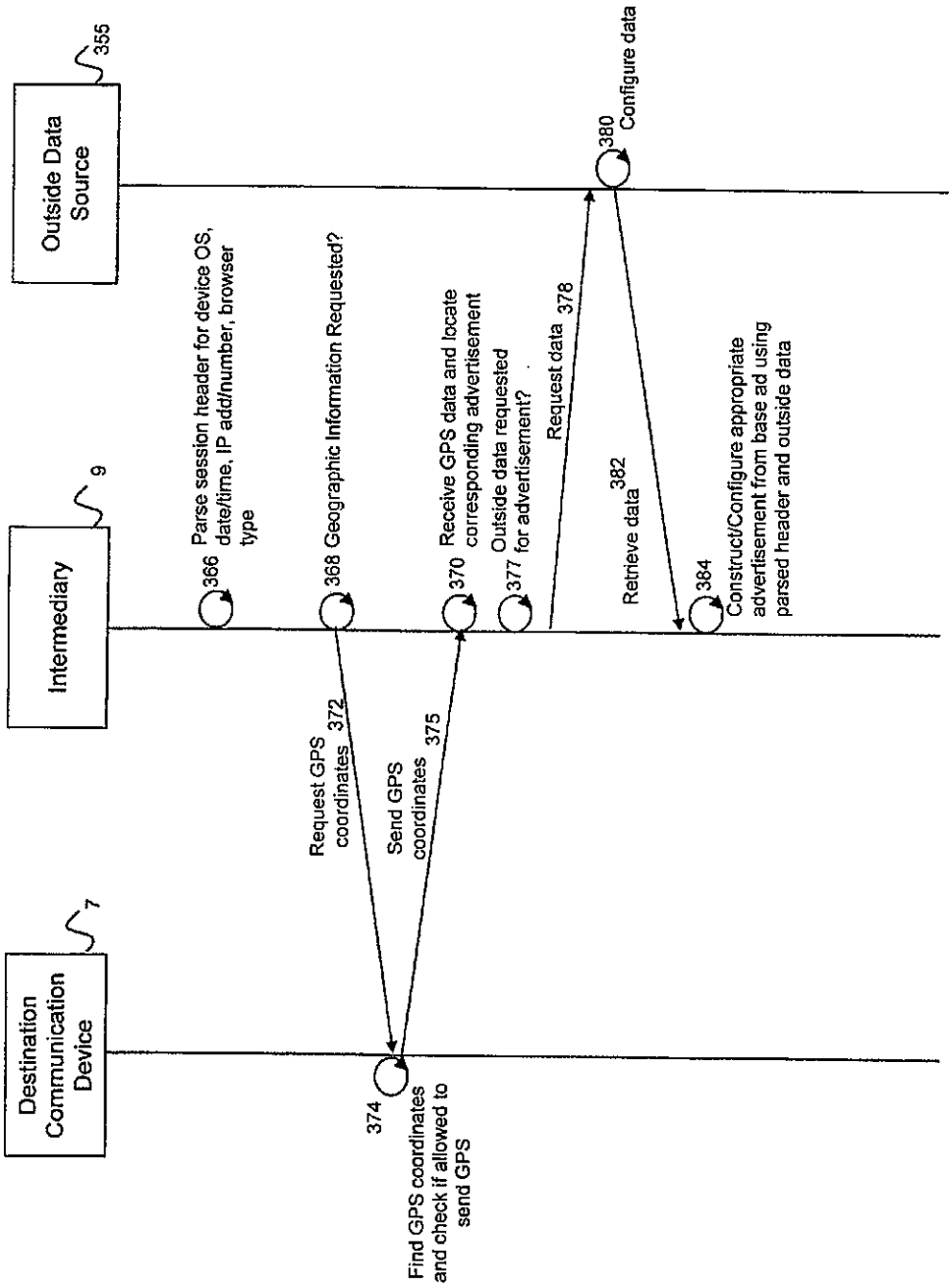

Figure 8 Dynamic Content Advertisement Generation Process

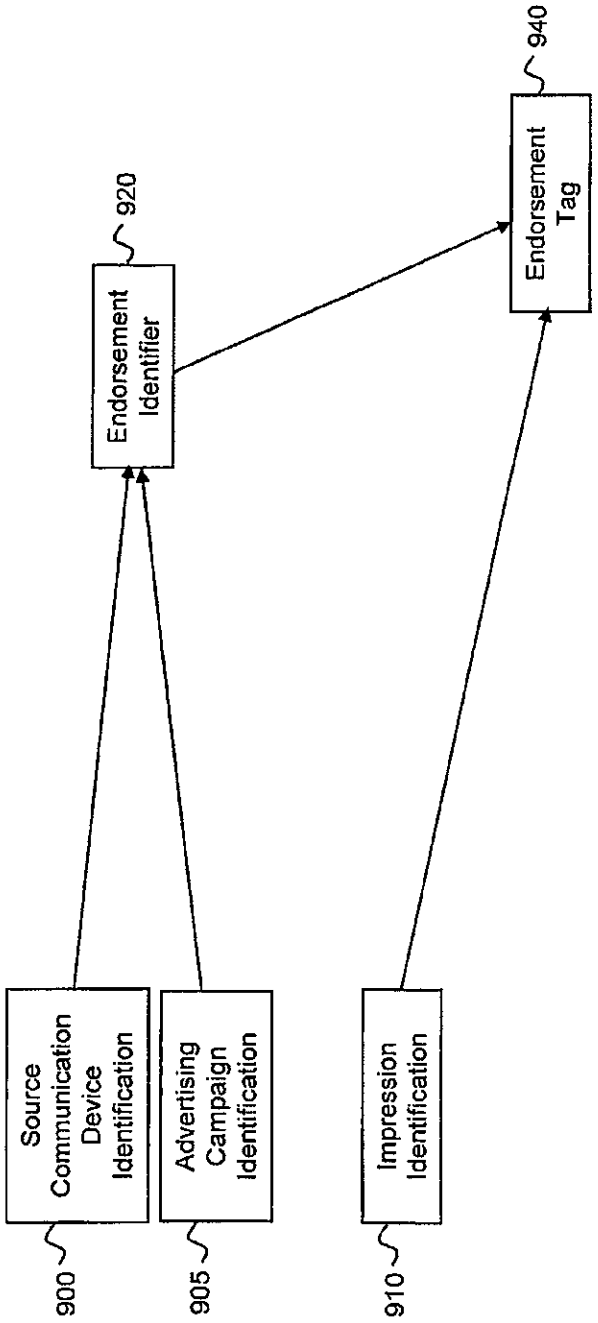

Figure 9 Creation of Unique Identifier

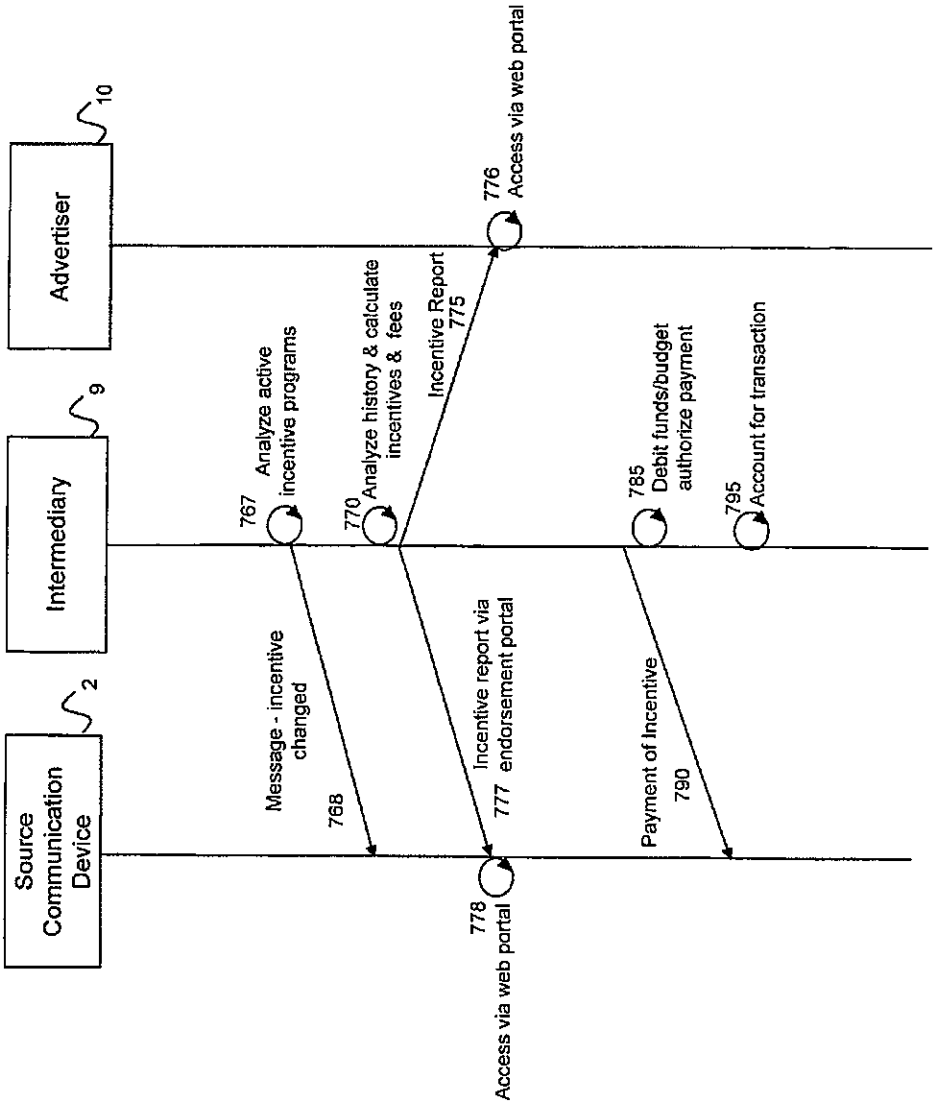

Figure 10 Incentive Administration Process

SYSTEM AND METHOD FOR PROVIDING ENDORSED ADVERTISEMENTS AND TESTIMONIALS BETWEEN COMMUNICATION DEVICES

CROSS-REFERENCE TO RELATED APPLICATIONS

This application claims priority from U.S. Pat. No. 7,664,516 filed on Dec. 23, 2005 and U.S. Provisional Patent Application No. 60/639,267 filed Dec. 27, 2004, entitled "A Method and System for Peer-to-Peer Advertising Between Mobile Devices" and U.S. patent application Ser. No. 12/592,019 filed Nov. 18, 2009 and entitled "System and Method for Peer-to-Peer Advertising Between Mobile Communication Devices." The disclosure in U.S. Pat. No. 7,664,516 and U.S. patent application Ser. No. 12/592,019 are incorporated herein by reference.

BACKGROUND

It is well known that traditional advertising media such as newspapers, public radio and television has suffered a dramatic decrease in popularity and advertising effectiveness with the advent of the internet and mobile phone technology. Advertisers, therefore, are highly motivated to identify new methods of distributing advertisements in order to create effective brand awareness. As newer technologies such as mobile phones evolve into highly sophisticated two-way communication systems, such technologies can be leveraged to provide trackable advertising impressions and brand awareness by directly displaying advertisements and testimonials to potential customers.

Today, consumers can control which advertisements reach them more effectively than in the past. For example, newer technologies like digital video recorders (DVRs) allow users to skip undesirable advertisements. Satellite radio allows users to listen to music without commercials.

With the declining ability to offer advertisements through traditional broadcast advertising media, this invention provides an advertising system that offers frequent and effective advertising to demographically targeted audiences.

This invention also provides a system in which recipients view personally endorsed advertisements by known contacts to increase the acceptance of the advertisement and to link to personalized testimonials of the advertisement for distribution to the existing personal contacts.

This invention also provides a system to incorporate testimonials, related advertisements and for delivering such testimonials with communication devices such as cell phones.

Other advantages and aspects of the invention will become apparent upon reading the following disclosure.

SUMMARY

The system disclosed provides for transmission of an endorsement tag between a source communication device and a destination communication device over a network. The endorsement tag includes a serialized URL link that when activated causes an advertisement to be sent from a third party intermediary to the destination communication device over the network. The intermediary functions to, among other things, identify which advertisement to send by virtue of decoding the serialized URL link and associating that link with a stored advertisement.

The system provides for a "bi-directional" selection process between a subscriber and an advertiser. The bi-directional selection process allows subscribers to choose or "endorse" certain advertisers with which they wish to associate. The bi-directional selection process also allows advertisers to choose which subscribers to use by virtue of a review of related demographic information of each subscriber and pre-qualification of acceptable candidates.

The advertiser determines if the subscriber is pre-qualified based on a correlation between the subscriber's demographics and those desired by the advertiser. Pre-qualification of one subscriber allows the advertiser to target advertisements to a related group of potential customers because the qualified subscriber's contacts presumably share some or all of the same demographic features. Therefore, the contacts of the subscriber provide broad potential market to the advertiser, while requiring only a single demographic comparison to the subscriber. This allows an advertiser to focus its advertisements on favorable target markets without having to examine the demographics of a large number of potentially unqualified prospects.

The system disclosed enables advertisers to reach targeted audiences by contact with mobile communications devices. Current mobile communication devices encourage the recipient of a communication to accept advertisements because the session is identified as being initiated by a known contact. Only after acceptance by the recipient is the advertisement and associated testimonial displayed. Subscribers and recipients are provided incentives to participate. Cash incentives are provided on debit cards or cash distributions.

In another embodiment, tools for social networking, including tools for the creation and display of testimonials, are combined with the incentive programs. These tools encourage recipient comments and follow-up testimonial messages. The embodiment provides for the storage, retrieval and display of the follow-up testimonial messages in connection with an advertisement.

In another embodiment, a hierarchical network of subscribers results from an initial communication. Each subscriber in the hierarchical network inherits features from the original subscriber including features of the original subscriber's profile. The inheritance accelerates the building of qualified subscribers and a broad advertising audience.

Provisions are made for incentive administration and reporting such as collecting regular advertising impression data, periodic processing of the incentive plans and continued updating of advertising campaigns and incentive programs.

It is in the interest of subscribers and advertisers jointly to use the system. For advertisers, click-throughs promote targeted brand awareness which generate demand for products. For subscribers, click-throughs promote incentive payments. Also, there is a recognition of the value of social media networking in relation to raising brand recognition through targeted testimonials related to advertisements.

DEFINITIONS

"Advertisement": a text, picture, video or audio media provided by an advertiser and associated with an endorsement tag.

"Advertiser": an entity providing an advertisement.

"Advertising Campaign": a collection of related advertisements and incentives.

"Advertising Endorsement System": a system for providing advertisements and endorsements between communication devices.

"Computer-readable Medium": any apparatus that can contain, store, communicate, propagate, and transport a computer program for use in connection with the advertising system.

"Destination Communication Device": a computer, cell phone, smart phone or other device capable of receiving a communication message.

"Endorsement": an event of sending an endorsement tag to a recipient.

"Endorsement Tag": an active link including a unique identifier to allow viewing of advertisements and track an advertisement, source communication device and event identification.

"Endorsement Identifier": a unique identification or code composed of a combination of a source communication device identifier and advertising campaign identification.

"Endorser": a subscriber who has selected an advertiser to endorse.

"Incentive": a reward provided to a subscriber based on an endorsement.

"Incentive Program": a set of rules governing an incentive distribution.

"Intermediary": one or more computer servers and memory executing computer applications and communications to implement the advertising endorsement system.

"Qualified Subscriber": a person who meets the demographic criteria of an advertiser.

"Recipient": a person in possession of a destination communication device.

"Source Communication Device": a computer, cell phone, smart phone or other device capable of sending a communication message and an endorsement tag.

"Subscriber": a person in possession of a source communication device, who has created a profile on the intermediary system.

"Testimonial": a text message, picture, audio or video message associated with an advertisement.

It should be understood that the terms advertisement, advertiser, advertising campaign, destination communication device, endorsement, endorsement tag, endorser, incentive, incentive program, intermediary, qualified subscriber, recipient, source communication device, subscriber, and testimonial, while referred to in the singular shall mean their plural forms as well.

BRIEF DESCRIPTION OF THE DRAWINGS

The following disclosure is understood best in association with the accompanying figures. Like components share like numbers.

FIG. **1** is a diagram of exemplary components of an advertising endorsement system.

FIG. **2** is a block diagram of exemplary components of the intermediary.

FIG. **3** a flowchart of an embodiment of the advertiser enrollment process.

FIG. **4** is a flowchart of an embodiment of a subscriber sign-up process.

FIG. **5A** is a flowchart of an embodiment of a manual subscriber enrollment process.

FIG. **5B** is a flowchart of an alternate embodiment of an automatic subscriber enrollment process.

FIG. **5C** is a flowchart of an embodiment including an automatic multi-tier subscriber enrollment process.

FIG. **6** is a flowchart showing an advertisement distribution process.

FIG. **7** is a flowchart showing a testimonial distribution process.

FIG. **8** is a flowchart showing a method of creating dynamic advertisements.

FIG. **9** describes a method for the creation of a unique identifier.

FIG. **10** is a flowchart showing an incentive administration process.

DETAILED DESCRIPTION

FIG. **1** is a diagram of exemplary components of an advertising endorsement system for providing direct advertising between communication devices and to provide testimonials in relation to advertisements. Subscriber **1**, in possession of a source communication device **2**, subscribes to an advertisement incentive program managed by an intermediary **9** to distribute advertisements from advertiser **10** to destination communication device **7** in possession of recipient **8**.

Intermediary **9** includes a server **12**, running a group of application programs and communicating with memory **15**.

Source communication device **2** is in communication with destination communication device **7** via network **6**. Examples of network **6** may be the Internet, a private network, a cellular phone network, or other service provider networks. The source communication device and the destination communication device preferably support digital communications and sharing and recording of electronic files such as audio, pictures, text and video. Preferred communication devices include cellular phones, smart phones, personal computers, personal digital assistants and instant messaging devices.

Operating systems running on source communication device **2** and destination communication device **7** coordinate and provide control of various components. Object-oriented software systems are preferred. The software systems run in conjunction with the operating system and provide calls to the operating system programs or applications executing on the source communication device **2** and destination communication device **7**.

Source communication device **2** communicates with destination communication device **7** using a communications protocol. Examples of the communication protocol include Transmission Control Protocol/Internet Protocol (TCP/IP); Global System for Mobile Communications (GSM) including Short Messaging Service (SMS), multimedia messaging service (MMS), Code Division Multiple Access (CDMA), Wireless Application Protocol (WAP), 3G and 4G communication services including SMS and MMS protocols.

Advertiser **10** includes a communication device capable of communicating with intermediary **9** over network **6**. Examples include servers and personal computers connected to the network.

In use, the system is activated by the advertiser initiating an advertising program. To initiate an advertising program, the advertiser is required to complete a setup process, provide a set of demographic criteria and build and upload advertisements to memory **15**. Application functions are configured to operate on server **12** to accomplish the setup, build and upload processes.

Subscriber **1** must sign up and enroll on the intermediary. To sign up, subscribers are required to complete a set-up process, including submission of a demographic profile to the intermediary.

The intermediary compares each demographic profile to the demographic criteria of the advertisers to determine whether or not the subscriber is qualified. Based on the sub-

scriber qualifications, a set of endorsement opportunities from various advertisers is communicated to a subscriber by the intermediary.

Subscriber **1** elects to endorse an advertisement, advertiser or advertising campaign. Endorsement manager software **14** is loaded on source communication device **2**. The endorsement manager software, in concert with functions resident on server **12** facilitate completion of the setup process, endorsement process and transmission of advertisements and testimonials to the destination communication device.

When a communication is transmitted between source communication device **2** and destination communication device **7**, an endorsement tag is transmitted to destination communication device **7**. The endorsement tag includes a URL link with an embedded code that identifies the source communication device, the advertisement or advertising campaign and an impression identification. When the endorsement tag is activated by the destination communication device, the endorsement tag is decoded by the intermediary and used to locate the requested advertisement. The associated advertisement is downloaded to the destination communication device from the intermediary. The advertisement associated with the endorsement tag may be said to be "endorsed" by subscriber **1**.

Subscriber **1** may then elect to provide a "testimonial." To do so, Subscriber **1** preferably uses the source communication device to record a testimonial to be associated with an advertiser, advertisement or advertising program. The testimonial is then uploaded to the intermediary where it is associated with the advertisement, advertising campaign or advertiser, and stored at the intermediary.

After a communication between the source communication device and the destination communication device, a link is transmitted by the intermediary to the destination communication device that points to a list of testimonials. When the link is activated by the destination communication device, the intermediary transmits the testimonial to the destination communication device.

Referring then to FIG. **2**, intermediary **9** includes application functions **102**, database **103** and website portal **104**.

Application functions **102** include numerous constituent programs and objects which cooperate to carry out the functions of intermediary **9**. In the preferred embodiment, the application functions comprise software written in object oriented languages. These include system administration **121**, advertiser enrollment **105**, subscriber enrollment **106**, communications manager **107**, campaign builder **108**, testimonial manager **109**, performance manager **110**, incentive manager **111**, analytics manager **112** and dynamic content manager **122**.

System administration **121** provides for administration and maintenance of the various objects, including database management and management of website portal **104**. Creation, deletion and editing of files and profiles is provided. Functions for screening of testimonials and demographic criteria are also provided.

Advertiser enrollment **105** coordinates and records the interaction between advertiser **10** and intermediary **9**, as will be further described.

Subscriber enrollment **106** controls and records the interaction between the subscribers and the intermediary, as will be further described.

Communications manager **107** coordinates the functions between the endorsement manager software resident on the source communication device and the intermediary.

Campaign builder **108** is responsible for creating, coordinating and organizing campaigns and associated advertisements which are transmitted to the destination communication device. In the preferred embodiment, campaign builder **108** includes a set of design criteria including dimensions, preferred fonts, colors, and other graphics tools which are supplied to the advertiser via website portal. In an alternate embodiment, campaign builder **108** provides predetermined advertisement formats suitable for inclusion of custom text paragraphs to speed advertisement development. Once an advertisement is built, it is uploaded for storage in database **103**. Campaign builder **108** also provides for grouping of advertisements into "campaigns." Each campaign may include attributes of timelines for deployment of each advertisement, incentive programs and demographic and psychographic criteria for qualified subscribers.

Testimonial manager **109** provides the management functions for the organizing and storage of testimonials provided by subscribers and recipients. In a preferred embodiment, testimonial manager **109** provides "housekeeping" functions for the receipt, organization and storage of testimonials received by subscribers and recipients. The testimonial manager receives individual testimonial files, according to their type, audio, video, text or picture. The files may be edited by the intermediary through system administration **121**. The testimonial manager provides the functions of editing the testimonial files for content, size and graphics by the advertiser, the subscriber or the intermediary. The testimonial manager also provides the function of associating the testimonials with a particular advertisement, advertising campaign or advertiser.

Performance manager **110** provides the function of receiving and storing history log files from source communication devices by way of communication manager **107**.

Incentive manager **111** coordinates the functions of tracking subscriber incentives and incentive payouts. In a preferred embodiment, the Incentive manager also provides the functions of communication with financial institutions to receive payments from advertisers. Incentive manager **111**, in a preferred embodiment, is also responsible for the functions of processing distributions to subscribers as incentives, and for tracking all accounting functions of the system. In practice, the incentive manager pays incentives to subscribers and corresponding advertising incentive program accounts are debited until depletion, at which time the incentive programs are discontinued for a particular campaign.

Analytics manager **112** is responsible for providing the functions of report generation utilized to analyze and report data related to subscribers, recipients, advertising campaigns, advertisements, endorsements and testimonials. Analytics manager **112**, in a preferred embodiment, also provides the functions of statistical analysis and prediction generation based on historical data to determine the effectiveness of an advertisement or advertising campaign. In a preferred embodiment, analytics manager **112** is also responsible for statistical analysis of the demographics of purchasing patterns related to demographics, geographic location, and time of day or date during the year.

Database **103**, in a preferred embodiment, is preferably comprised of a relational database written in a structured query language. The database allows interrogation for information retrieval and report generation, as well as maintenance.

Database **103**, in the preferred embodiment, includes subscriber data **113**, advertiser data **114**, history data **116**, testimonial data **117** and accounting data **118**.

Subscriber data **100** includes demographic information, psychographic data, identification information and login

information for each subscriber. Subscriber data **100** also includes endorsement preferences and incentive preferences for each subscriber.

Advertiser data **114** includes advertiser identification and log-on information. Advertiser data **114** also includes chosen demographic criteria for subscribers supplied by each advertiser. Advertiser data **114** includes advertising campaign data. Advertising data **114** further includes distribution preferences for timing and geographic location of each advertisement in the advertising campaign.

Advertiser data **114** further includes identification of incentive programs. Incentive programs include rules for incentive distribution to subscribers. Incentive programs are defined per advertisement or per advertisement campaign. Incentive program rules further include initiation and termination dates for each advertisement and advertisement campaign.

Advertiser data **114** further includes a maximum financial budget for each incentive, advertisement and advertisement campaign. Advertiser data **114** further includes matching data for subscribers.

History data **116** includes a compilation of data for each advertisement and advertising campaign, including the number of advertisements sent, the subscriber who sent them, the recipient of the advertisement, the number, location and identification of all click-through events.

Testimonial data **117** includes text, graphics, audio and video files recorded as testimonials stored and associated with a related advertisement and advertising campaign in the database.

Accounting data **118** includes account information for advertisers, historical information reflecting incentives paid to subscribers, and tracking information for singular and multi-tiered distribution of funds.

Website portal **104** includes the functions related to operation of page data **119** and log files **120**.

Page data **119** includes pages stored in memory capable of various communication functions required by the system. Page data **119** includes pages for subscriber addition, deletion and profile creation and maintenance. Similarly, page data **119** includes pages for the creation and maintenance of advertiser profiles, advertisements, advertisement campaigns and incentives through campaign builder **108**, incentive manager **111** and analytics manager **112**. Pages are also provided for addition and deletion of testimonials in coordination with testimonial manager **109**.

Log files **120** include metrics of page usage and maintenance. For maintenance of the intermediary website in coordination with system administration **121**.

Referring now to FIGS. **2** and **3**, the advertiser enrollment process will be described. At step **22**, advertiser **10** connects to intermediary **9** via the website portal. Login information is supplied and a request is made to access application functions **102** through a secure communications session. At step **24**, the intermediary authenticates the advertiser login information. At step **25**, application functions of advertiser enrollment **105** are activated and coordinate functions of the advertiser enrollment process.

The advertisements for the advertising campaign must be "built" and the attributes of the advertising campaign defined. At step **28**, a request is made for access to the campaign builder function **108** of application functions **102**. At step **29**, the intermediary enables a campaign builder dashboard. At step **30**, the intermediary grants access to the campaign builder function to advertiser **10**. At step **31**, forms related to creation of an advertising campaign the specific type of advertisement are completed by advertiser **10**.

At step **32**, demographic criteria for qualification of subscribers is submitted.

In step **33**, advertisement attributes are defined and include the scheduling timeline for distribution of the advertisements in the advertising campaign and a limit for the incentive pay out.

At step **34**, an incentive program is defined. The incentive program may pay cash incentives, incentivize communication fees, offer product discounts, generate "rewards points" or provide product or service credit. The preferred embodiment of an incentive program utilizes a programmable electronic debit card to which credits are periodically uploaded. Incentive program selections may be made according to predefined incentive program types displayed and captured by a web form. The incentive program further requires specifying the incentive pay out. For cash and cash-like incentives (e.g. discounts or coupons) the preferred incentive program specifies an incentive amount for each recorded impression, an incentive amount for each recorded click-through, and an incentive amount for each product sale resulting from a specified transaction.

At step **35**, an option "auto matching" is provided. "Auto matching" is provided in three forms. First, "auto matching" may be enabled for all advertising campaigns of an advertiser. If so, each subscriber who becomes "qualified" is enabled to "endorse" every advertisement and every advertising campaign for the advertiser specified. Second, "auto matching" may be enabled for advertising campaign. If so, each qualified subscriber is enabled to "endorse" each advertisement in the specified advertising campaign. Third, "auto matching" may be enabled for a specific advertisement. If so, each qualified subscriber is automatically qualified to endorse a specific advertisement for a specific advertising campaign.

At step **36**, the advertiser selects a correlation value. The correlation value is a numerical measure of how closely the demographic criteria of the advertiser must match the demographic profile of the subscriber.

Also at step **46**, graphics files are generated including custom graphics required for the advertisement by advertiser **10** to complete each advertisement.

At step **47**, the completed form and graphics files and the demographic criteria, auto matching choice, advertising campaign attributes and incentive programs are uploaded to the intermediary. At step **48**, intermediary **9** stores the uploaded data and assembles and stores the advertisement associated with advertiser **10** in the database in advertiser data **114**. At step **49**, the advertisement is assigned a unique identification number by the intermediary and is stored in the database under advertising data **114**.

At step **50**, the intermediary determines the price of the advertising campaign. At step **51**, the intermediary transmits the price and funding requirements to the advertiser. In the preferred embodiment, the financing requirements include execution of a written agreement and prepayment of money to fund the incentive programs according to the requested advertising budget.

At step **52**, the advertiser funds the advertising campaign and executes the advertisement agreement. At step **53**, the advertiser transmits funding to the intermediary and requests execution of the advertising campaign. Funding preferably includes transmission of a cash amount to the intermediary via wire transfer. At step **54**, the intermediary records receipt of the funding and creates a record in the database in accounting data **118** by incentive manager **111**. At step **55**, the intermediary implements each advertising campaign.

Referring to FIGS. **2** and **4**, the subscriber sign-up process will be described. In step **56**, source communication device **2**

connects to the Intermediary **9** through website portal **104**. In step **57**, a request for information is sent via a form to the source communication device from the intermediary. The form requests basic information such as communication device user's name, communication device type, and a communication device identification number such as a phone number or IP address. At step **58**, the source communication device responds by transmitting the completed form including a requested username and password. At step **59**, the intermediary authenticates the source communication device and starts subscriber enrollment functions **106**. Authentication may include cross-checking the phone number or the device identification and the profile information of the user with publicly available data sources. At step **60**, the intermediary sends a text message to the source communication device confirming setup. At step **61**, the source communication establishes a secure communication session with the intermediary using the website portal.

In step **67**, a determination is made by the intermediary as to whether the source communication device has the technical capability to participate. At step **68**, the intermediary then checks the source communication device for an endorsement manager program by attempting to communicate with it. At step **69**, if the endorsement manager is present, a return acknowledgment message is generated. At step **70**, the acknowledgment message is sent to the intermediary. At step **71**, if the endorsement manager program is not present, then it is retrieved by the source communication device. At step **72**, the endorsement manager program is installed and is activated and an acknowledgment message is generated. At step **73**, the acknowledgment is returned to the intermediary. At step **74**, application functions of the communications manager are activated.

In step **75**, a subscriber profile form is completed. The subscriber profile includes subscriber demographic information. Subscriber demographic information includes gender, age, zip code, and may include other information such as ethnicity, income level, property ownership and education. The subscriber profile also may include user's hobbies, interests, affiliations and other psychographic information. At step **76**, the subscriber profile is sent to the intermediary. At step **77**, the Intermediary receives and stores the profile data in subscriber data **100** in the database. At step **81**, the endorsement manager program enables a local endorsement dashboard. At step **82**, the endorsement manager program requests transmission of endorsement opportunities. At step **83**, the intermediary retrieves the requested endorsement opportunities. At step **84**, the endorsement opportunities are sent from the intermediary to the source communication device. At step **85**, the endorsement opportunities are displayed.

FIG. **5**A shows a preferred manual subscriber enrollment process. Referring then to FIGS. **2** and **5**A, at step **157**, the source communication device connects to the intermediary web portal and transmits login data. At step **158**, the login data is authenticated and functions of subscriber enrollment **106** are started. At step **159**, an acknowledgment is transmitted. In step **160**, the source communication device sends a request to endorse. At step **161**, the intermediary responds to the request by performing a matching process to qualify subscribers for endorsement opportunities.

The matching process correlates the demographic profile data from the subscriber with the demographic criteria of the advertiser. A correlation value is assigned by the intermediary. In the preferred embodiment, the correlation value is calculated by comparing each element of the demographic criteria to each element of the demographic profile to arrive at a correlation value.

At step **162**, the intermediary returns a list of endorsement opportunities for which the subscriber is "qualified." Each endorsement opportunity includes a description of the advertiser, advertising campaign, advertisement and incentive program including incentive values offered.

In an alternate embodiment, step **162** includes the steps of the intermediary providing a list of non-participating advertisers to the subscriber or the ability to suggest an unlisted advertiser.

The endorsement opportunities are displayed at step **163**. In step **164**, the subscriber selects a subset of the endorsement opportunities for enrollment. The subset selection is transmitted to the intermediary at step **165**. At step **166**, intermediary stores the selected subset in the database in subscriber data **113**. At step **167**, the intermediary creates a set of endorsement identifiers for each of the endorsement opportunities of the selected subset. The endorsement identifiers include embedded URLs and endorsement identifiers to serialize each specific endorsement tag with a unique code.

Referring to FIG. **9**, endorsement identifier **920** is created by calculating a hash code between source communication device identification **900** and an advertising campaign identification **905**. An example is shown below:

http://bca2.com/ad.aspx?d=12V7NS8MPTXGTFL

The source communication device identification is preferably the device serial number or the phone number.

Returning to FIG. **5**A, at step **168**, the endorsement identifier is sent to the source communication device. At step **169**, the endorsement identifier is stored on source communication device by the endorsement manager program. In step **170**, the endorsement manager program periodically triggers a refresh for endorsement identifiers from the intermediary. At step **171**, updated endorsement identifiers are requested. At step **172**, the intermediary automatically updates the endorsement identifiers incorporating current versions of campaign or advertisement identifications. At step **173**, updated endorsement identifiers are transmitted. At step **174**, the updated endorsement identities are stored on the source communication device by the endorsement manager program.

Once endorsement identifiers are stored on the source communication device, the "subscriber" becomes an "endorser" capable of participating in distribution of advertisements and incentive programs. A "bi-directional selection" has occurred between the subscriber and the advertiser where each has "chosen" the other and has agreed to participate in distribution of advertisements.

FIG. **5**B is a flowchart of an alternate embodiment showing an automatic subscriber enrollment process. Referring then to FIGS. **2** and **5**B, in step **212**, the source communication device initiates a communication to the destination communication device. In step **213**, the endorsement tag is sent from the source communication device to the destination communication device in connection with the communication. In step **214**, the destination communication device opens the endorsement tag. The endorsement tag is clicked, thereby activating the link incorporated in the endorsement tag. In step **215**, a request for an advertisement to the intermediary is sent.

In step **217**, the intermediary generates the advertisement. Included in the advertisement is a sign-up link for "automatic" sign-up. In step **218**, the advertisement is sent to the destination communication device. The advertisement is displayed at step **219**. The destination communication device activates the automatic sign-up link in step **220**. A sign-up request is sent to the intermediary at step **221**. At step **223**, the Intermediary starts the functions of subscriber enrollment **106**. At step **224**, intermediary **201** acknowledges the sign-up

request by sending an acknowledgement message. The acknowledgement message contains a link to download the endorsement manager. At step **225**, the destination communication device requests a secure communication session using the web portal. A secure communication session is established at step **226**.

In step **227**, authentication occurs and the destination communication device is automatically enrolled in the advertising campaign associated with the advertisement that was displayed. At step **228**, a unique endorsement identifier is generated for the destination communication device as a new qualified subscriber. In step **232**, the endorsement manager program along with the endorsement identifier: is sent to the destination communication device. At step **234**, the endorsement manager program is installed and activated. At step **235**, the endorsement identifier is stored by the endorsement manager program.

FIG. **5C** shows an alternate embodiment of an automatic multi-tier subscriber enrollment process. As destination communication devices **610**, **611** and **612** are automatically enrolled, they automatically inherit the status of qualified subscriber attributed to the source communication device for advertising campaign **605** associated with the advertisement viewed. The advertising campaign includes original incentive program **606**. Destination communication devices **610**, **611** and **612** comprise first tier **601** of destination communication devices. Similarly, when destination communication devices **620**, **621** and **622** are automatically enrolled, they also automatically inherit the status as a qualified subscriber for advertising campaign **605** and original incentive program **606** creating second tier **602** of destination communication devices. Additional tiers of destination devices are created as they receive communications from first tier communication devices **601** and second tier destination communication devices **602**. Each additional tier of destination communication devices inherits the status as a qualified subscriber for advertising campaign **605** and original incentive program **606**. The intermediary generates endorsement identifiers for each new destination communication device in each new tier of destination communication devices. The endorsement identifiers each contain the source communication device identification. The source communication device identification is used to track incentives paid to the source communication device from endorsement transactions performed by the first tier, second tier and additional tiers of destination communication devices.

FIG. **6** shows a flowchart of the advertisement distribution process of the system. Referring then to FIGS. **2** and **6**, at step **259**, the endorsement manager program generates a unique identifier.

Referring to FIG. **9**, impression identification **910** is hashed with endorsement identifier **920** to create unique identifier **940**. In the preferred embodiment, the endorsement manager program generates a number based on elapsed time from a predefined event in the past, such as the date that endorsement manager software was installed, on the subscriber communication device. An example is shown below:

http://bca2.com/
ad.aspx?d=12V7NS8MPTXGTFL&i=8efvy

In alternate embodiments, other information may be combined to create unique identifier **940**, such as date and time information, geographic location information and device settings of the source communication device.

Returning to FIG. **6**, at step **260**, the endorsement manager program sends the endorsement tag containing the unique identifier to the destination communication device. At step **261**, the endorsement manager software records the transmission of the endorsement tag as an event in a history log. In step **262**, the endorsement tag is opened on the destination communication device. At step **264**, a request for an advertisement is sent from the destination communication device by activating the URL link embedded in the endorsement tag. At step **265**, the intermediary generates and formats an advertisement.

In a preferred embodiment, the step of generating an advertisement includes the dynamic content manager **122** of intermediary **9** decoding the hashed unique identifier in the endorsement tag and decoding advertisement identification **905**. The dynamic content manager then fetches the appropriate advertisement graphics called for by the advertisement identification from the database and formats it to match the device type of destination communication device.

FIG. **8** is a flowchart showing the detail of an alternate embodiment of dynamic advertisement generation. In step **366**, the intermediary parses the web browser session header for the destination communication device OS; time/date stamp, IP address and browser type. In step **368**, the intermediary determines if geographical location information is requested by the configuration of the advertisement. If requested, then the intermediary sends a request for GPS coordinates to the destination communication device in step **372**. In step **374**, authorization to release the GPS coordinates is provided by the destination communication device. At step **375**, the GPS coordinates are sent to the intermediary. In step **370**, the intermediary locates and retrieves an advertisement related to the GPS coordinates using the dynamic content manager.

In an alternate embodiment, the intermediary determines the geographical location of the destination communication device by determining which cellular tower is carrying the signal from the destination communication device.

In step **377**, the dynamic content manager of the intermediary determines if the advertisement requires supporting data from outside data sources is required by the advertisement. If so, at step **378**, the intermediary requests the supporting data from outside data source **355**. At step **380**, outside data source **355** configures the supporting data according to parameters included in the request. At step **382**, the intermediary retrieves the supporting data from the outside data source.

At step **384**, the intermediary configures the advertisement according to data from the parsed header, geographical location and outside data source.

In an alternate embodiment, generation of the advertisement is altered according to a random selection process. The intermediary randomly chooses an advertisement from a predetermined set of advertisements stored in the database of advertiser data **114**.

In an alternate embodiment, the intermediary selects which advertisement to send based on the date, time, season of the year, holiday dates, dates of special events or weather related data from outside data source **355**. Weather data may be used in association with geographic location data to determine the weather at the geographic location of the destination communication device.

In yet another embodiment, the intermediary selects the advertisement based on previous responses by the destination communication device. Previous responses are drawn from history data **116**.

Returning to FIG. **6**, at step **266**, the advertisement is transmitted to the destination communication device. At step **267**, the destination communication device opens and views the advertisement. At step **268**, the intermediary records the endorsement click-through event in the history data in asso-

ciation with the subscriber identified in the unique identifier contained in the endorsement tag and when available the GPS coordinates of the destination communication device.

At step **269**, the destination communication device activates an embedded link in the advertisement. At step **270**, a message is sent to the Intermediary requesting information. At step **271**, the intermediary records the request for information and logs the event against the source communication device identifier in a history file. At step **272**, the information is provided to the destination communication device. At step **273**, the information is viewed.

At step **283**, the endorsement manager program periodically triggers an upload of the history log file to the intermediary to be tracked for incentive distribution. In step **284**, the history log is uploaded. At step **285**, the history log is stored according to the source communication device identification. In step **286**, intermediary **9** compiles and tracks incentives.

FIG. **7** is a flowchart showing a method of creating and adding testimonials to communications between the source communication device and the destination communication device. Referring then to FIGS. **2** and **7**, at step **310**, source communication device **2** interacts with the endorsement manager program to create a testimonial. In the preferred embodiment, the testimonial is a short video file, static picture, text or audio created by and stored on the source communication device.

In an alternate embodiment, the testimonial is a file created on a separate machine and is uploaded to the intermediary. The testimonial file may also contain an active link stored on a separate machine.

The endorsement manager program "associates" the testimonial with an advertisement by appending the endorsement tag related to a participating advertising campaign or advertisement to the testimonial file. In step **314**, the source communication device uploads the endorsement tag and the testimonial file to the intermediary. At step **315**, testimonial manager **109** functions are started and the testimonial is stored by the intermediary and associated with the advertising campaign or advertisement and the subscriber in the database. In step **316**, an actionable link is enabled to allow, viewing of the associated testimonial within the advertisement. At step **317**, the testimonial is made available for viewing and editing via the website portal.

At step **322**, the source communication device transmits the endorsement tag to the destination communication device. In step **323**, the destination communication device opens the endorsement tag. In step **324**, a message is sent to the intermediary requesting the advertisement. In step **325**, the intermediary records an endorsement click-through event, and uses the dynamic content manager to configure the advertisement for display. In configuring the advertisement for display, an actionable link to the testimonial is included. At step **326**, the advertisement is sent to the destination communication device. In step **330**, the advertisement is displayed.

In an alternate embodiment, the actionable link may display a list of testimonials associated with the advertisement.

At step **331**, the destination communication device selects the link to the testimonial. At step **332**, a request is sent to the intermediary for the testimonial. At step **333**, the dynamic content manager of the intermediary retrieves the testimonial and configures it for transmission. In step **334**, the testimonial is sent to the destination communication device. In step **335**, the testimonial is displayed.

At step **340**, the destination communication device records a "responsive" testimonial. At step **341**, the responsive testimonial is uploaded to the intermediary. At step **344**, the intermediary associates the responsive testimonial with the advertising campaign or advertisement and stores it in memory.

FIG. **10** shows incentive administration process. Referring then to FIGS. **2** and **10**, in step **767**, the intermediary monitors active incentive programs through the functions of incentive manager **111**, and if it detects a change in an attribute of an incentive program is scheduled to occur, then at step **768**, a message may be sent to the source communication device regarding the change. Examples of changes in attributes include closure of an incentive program or an advertising campaign or temporary special events like a coupon offer.

At step **770**, performance data derived from the history log file is analyzed to arrive at an accounting of incentives and fees. At step **775**, a report summarizing the incentives and fees due is made available to the advertiser through the website site portal **104**. At step **776**, the fees due are accessed via the web portal. At step **777**, a report is made available to the source communication device regarding incentives through website portal **104**. At step **778**, the report is accessed via the web portal. At step **785**, the intermediary authorizes payment of incentives. In a step **790**, payment is made. In the preferred embodiment an electronic cash card is created and sent to the subscriber by mail. In step **795**, the financial accounts of the advertisers are appropriately debited by the incentive manager of the intermediary and stored in accounting data **118**.

Although various embodiments have been described in detail, those skilled in the art will understand that changes, substitutions and alterations can be made without departing from the spirit and scope of what has been described. Accordingly, all such changes, substitutions and alterations are intended to be included as defined in the following claims.

The invention claimed is:

1. In a system comprising a network, a source communication device, a first destination communication device and an intermediary connected to the network, a method for providing advertising content to a first recipient associated with the first destination communication device and for incentivizing a subscriber associated with the source communication device comprising:

receiving a first profile, at the intermediary, including a set of demographic requirements related to at least one advertiser of a group of advertisers;

receiving a second profile, at the intermediary, including a set of demographic data related to the subscriber;

deriving a match condition, by the intermediary, between the first profile and the second profile;

determining, at the intermediary, if the subscriber is a first qualified subscriber based on the match condition;

conditioning, at the intermediary, a set of endorsement opportunities on the match condition;

transmitting a incentive program to the first qualified subscriber, at the source communication device, for each endorsement opportunity of the set of endorsement opportunities;

communicating the set of endorsement opportunities to the qualified subscriber at the source communication device;

receiving, at the intermediary, a selection of at least one endorsement opportunity from the set of endorsement opportunities from the qualified subscriber;

transmitting, from the intermediary, a first endorsement tag related to the at least one advertiser of the group of advertisers and linked with the advertising content;

transmitting a first content communication between the first source communication device and the first destination communication device;

transmitting the first endorsement tag from the source communication device to the destination communication device;

receiving, at the intermediary, a signal from the destination communication device, through execution of the first endorsement tag, to transmit the advertising content;

transmitting the advertising content to the destination communication device; and,

incentivizing the first qualified subscriber according to the incentive program.

2. The method of claim 1 further comprising the steps of:

creating, at the source communication device, a first testimonial linked to a first testimonial tag;

associating, at the source communication device, the first testimonial with the advertising content;

transmitting the first testimonial tag to the first destination communication device;

receiving, at the intermediary, a request from the first destination communication device, through execution of the first testimonial tag, to transmit the first testimonial; and

transmitting the first testimonial to the first destination communication device.

3. The method of claim 2 wherein the system further includes a second recipient associated with a second destination communication device connected to the network and further comprising the steps of:

receiving a second testimonial, having a second testimonial tag, from the second recipient; and

associating the second testimonial with the advertising content.

4. The method of claim 1 further comprising the steps of:

creating the endorsement tag by combining:

a first identifier associated with the source communication device;

a second identifier associated with the advertising content; and

a third identifier associated with the first content communication.

5. The method of claim 1 wherein the step of transmitting the advertising content includes the further steps:

decoding the endorsement tag, at the intermediary, into the first identifier, the second identifier and the third identifier;

choosing the advertising content, at the intermediary, based on the second identifier; and,

the step of incentivizing includes the further step of:

incentivizing the first qualified subscriber, at the source communication device, based on one or more of the group of, the first identifier, the second identifier and the third identifier.

6. The method of claim 1 wherein the system further comprises a second recipient associated with a second destination communication device connected to the network, and the advertising content including a sign-up tag and the method further comprising the steps of:

transmitting a second content communication between the source communication device and the second destination communication device;

transmitting the endorsement tag from the source communication device to the second destination communication device;

transmitting the advertising content to the second destination communication device;

receiving a signal from the second destination communication device, through the execution of the sign-up tag, indicating a desire by the second recipient to become a second qualified subscriber;

altering a status of the second recipient to become the second qualified subscriber; and,

attributing selection of the at least one endorsement opportunity from the set of endorsement opportunities to the second qualified subscriber.

7. The method of claim 6 wherein the system further comprises a third recipient associated with a third communication device, connected to the network, the method comprising the additional steps of:

providing a second endorsement tag, from the intermediary, related to the at least one advertiser of the group of advertisers and linked with the advertising content;

transmitting a second content communication between the second destination communication device and the third destination communication device;

transmitting the second endorsement tag from the second destination communication device to the third destination communication device;

incentivizing the second qualified subscriber, at the second source communication device, according to the incentive program; and

incentivizing the first qualified subscriber, at the first source communication device, according to the incentive program.

8. The method of claim 7 wherein the step of providing an incentive program comprises the additional step of:

dividing a payment, by the intermediary, between the first qualified subscriber and the second qualified subscriber.

9. The method of claim 1 wherein the advertising content is created by the steps of:

providing, at the intermediary, a base content associated with the at least one advertiser;

modifying the base content, at the intermediary, by addition of a set of data related to one of the group of weather data, geographic data, time data, date data and history data.

10. The method of claim 1 further comprising the steps of:

transmitting, from the intermediary, an auto-matching election from the advertiser; and,

relating the subscriber to a pre-qualified subscriber.

11. The method of claim 1 wherein the step of transmitting an incentive further comprises the step of:

calculating, at the intermediary, a payment dividend between the subscriber and the pre-qualified subscriber.

12. The method of claim 1 further comprising the steps of:

creating a testimonial, at the source communication device;

associating the testimonial, at the source communication device, with the first endorsement tag;

receiving the testimonial and the first endorsement tag at the intermediary;

associating the testimonial, at the intermediary, with the advertising content and the subscriber;

creating, at the intermediary, a link to the testimonial;

transmitting, by the intermediary, the link to the first destination communication device;

activating the link at the first destination communication device; and,

transmitting, from the intermediary, the testimonial to the first destination communication device.

13. The method of claim 12 wherein the step of creating a testimonial further comprises:

the testimonial in a form of one of the group of video, audio, text or picture.

14. The method of claim 1 further comprising the step of:
conditioning, by the intermediary, the advertisement on a set of data related to one of the group of weather, a geographic location of the source communication device, a geographic location of the destination device, a time, and a date.

* * * * *

Exhibit B

US008452646B2

(12) **United States Patent**
Levi et al.

(10) **Patent No.: US 8,452,646 B2**
(45) **Date of Patent: *May 28, 2013**

(54) **SYSTEM AND METHOD FOR PROVIDING ENDORSED ELECTRONIC OFFERS BETWEEN COMMUNICATION DEVICES**

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(73) Assignee: **Blue Calypso, LLC**, Dallas, TX (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 322 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: **12/925,218**

(22) Filed: **Oct. 14, 2010**

(65) **Prior Publication Data**

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(51) **Int. Cl.**
G06Q 30/00 (2012.01)

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

(58) **Field of Classification Search**
USPC 705/14
See application file for complete search history.

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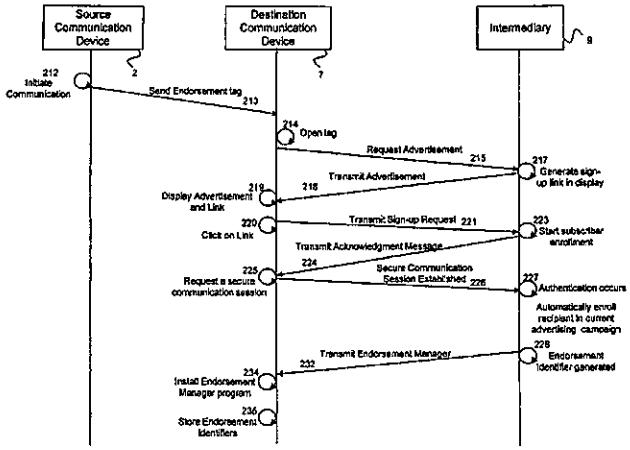
Primary Examiner — Saba Dagnew
(74) *Attorney, Agent, or Firm* — Schultz & Associates, P.C.

(57) **ABSTRACT**

A system and method are disclosed for distribution of advertisements and electronic offers between communication devices. The system and method provides for accounting and distribution of incentives related to distribution of the advertisements and offers. A bi-directional selection between subscribers and advertisers using the system is created whereby both advertisers and subscribers agree to participate in the distribution of advertisements and offers. The system further provides for a means of redeeming offers utilizing points of sale and analytics associated to the redemption of electronic offers.

13 Claims, 13 Drawing Sheets



Automatic Subscriber Enrollment Process

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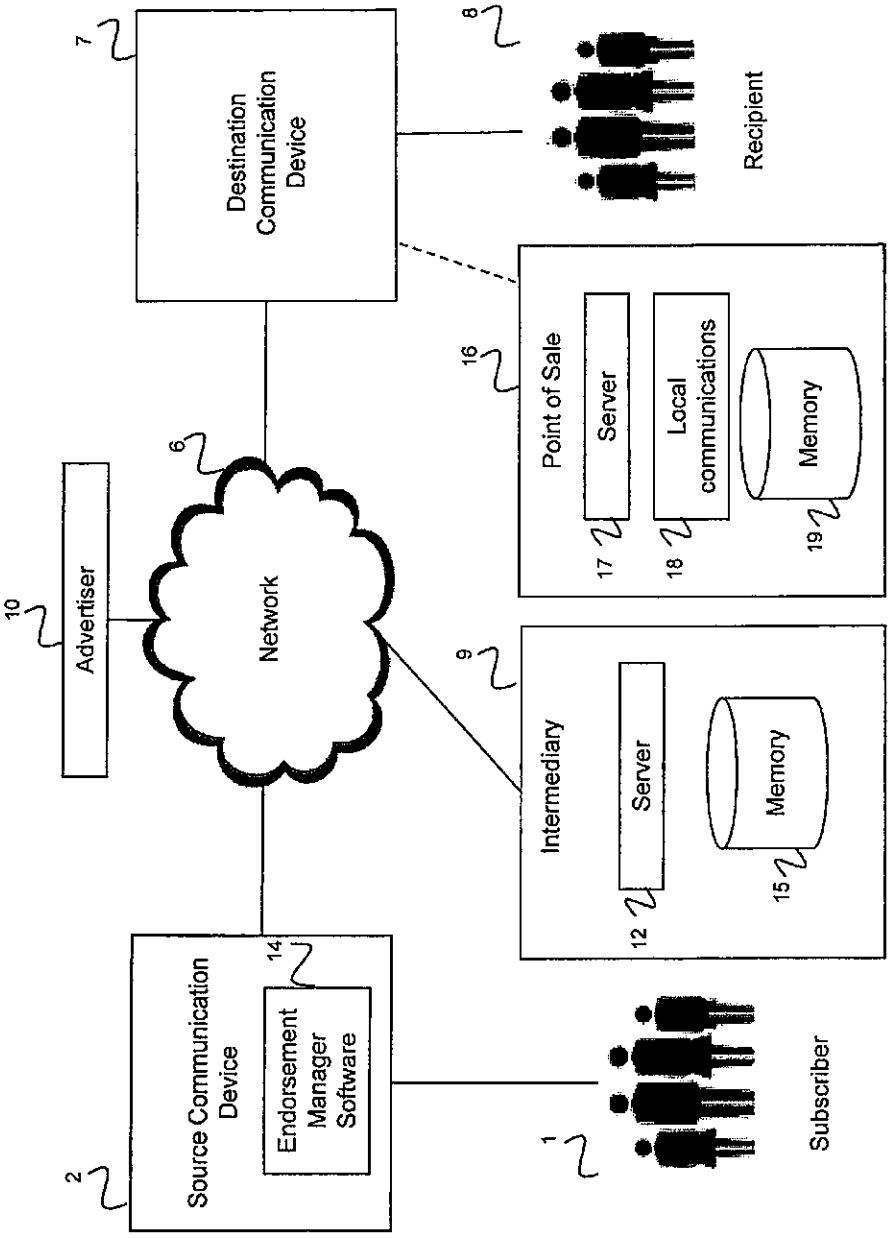
Destination Communication Device
7
8
Recipient
Point of Sale
16
Server
17
Local communications
18
Memory
19
6
Network
10
Advertiser
9
Intermediary
Server
12
Memory
15
Source Communication Device
2
14
Endorsement Manager Software
1
Subscriber

Figure 1

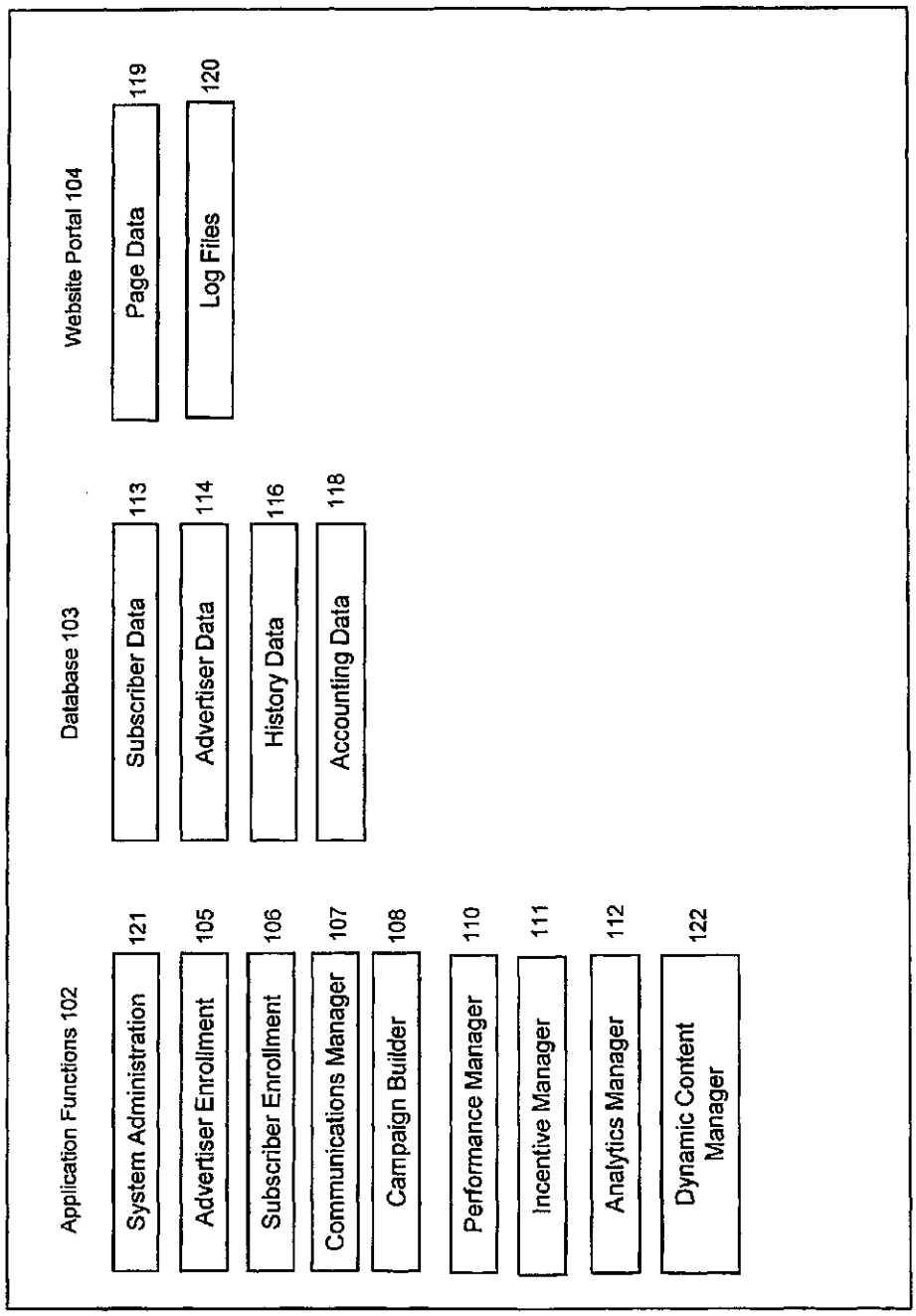
Application Functions 102
System Administration 121
Advertiser Enrollment 105
Subscriber Enrollment 106
Communications Manager 107
Campaign Builder 108
Performance Manager 110
Incentive Manager 111
Analytics Manager 112
Dynamic Content Manager 122
Database 103
Subscriber Data 113
Advertiser Data 114
History Data 116
Accounting Data 118
Website Portal 104
Page Data 119
Log Files 120
Intermediary 9

Figure 2

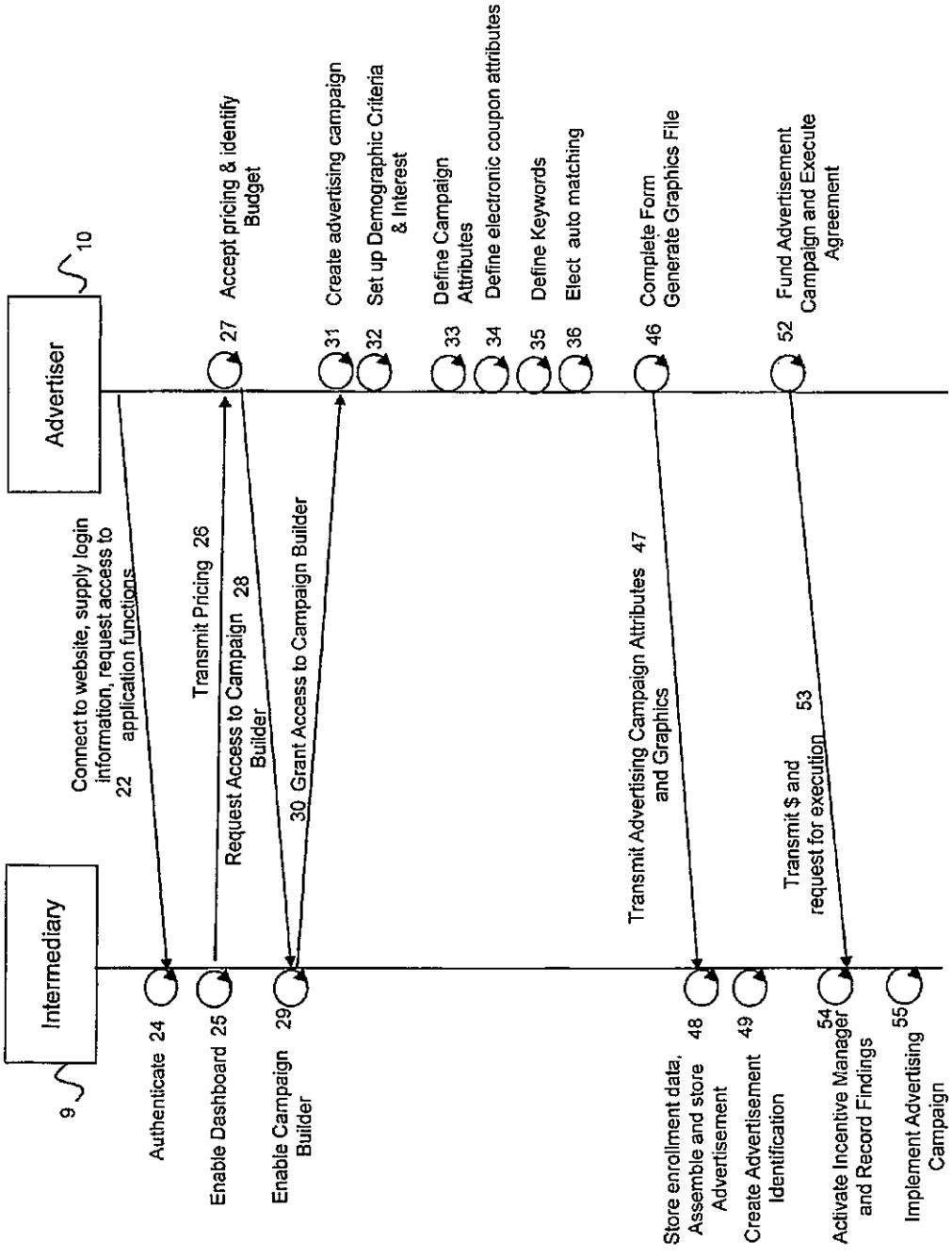

Figure 3 Advertiser Enrollment Process

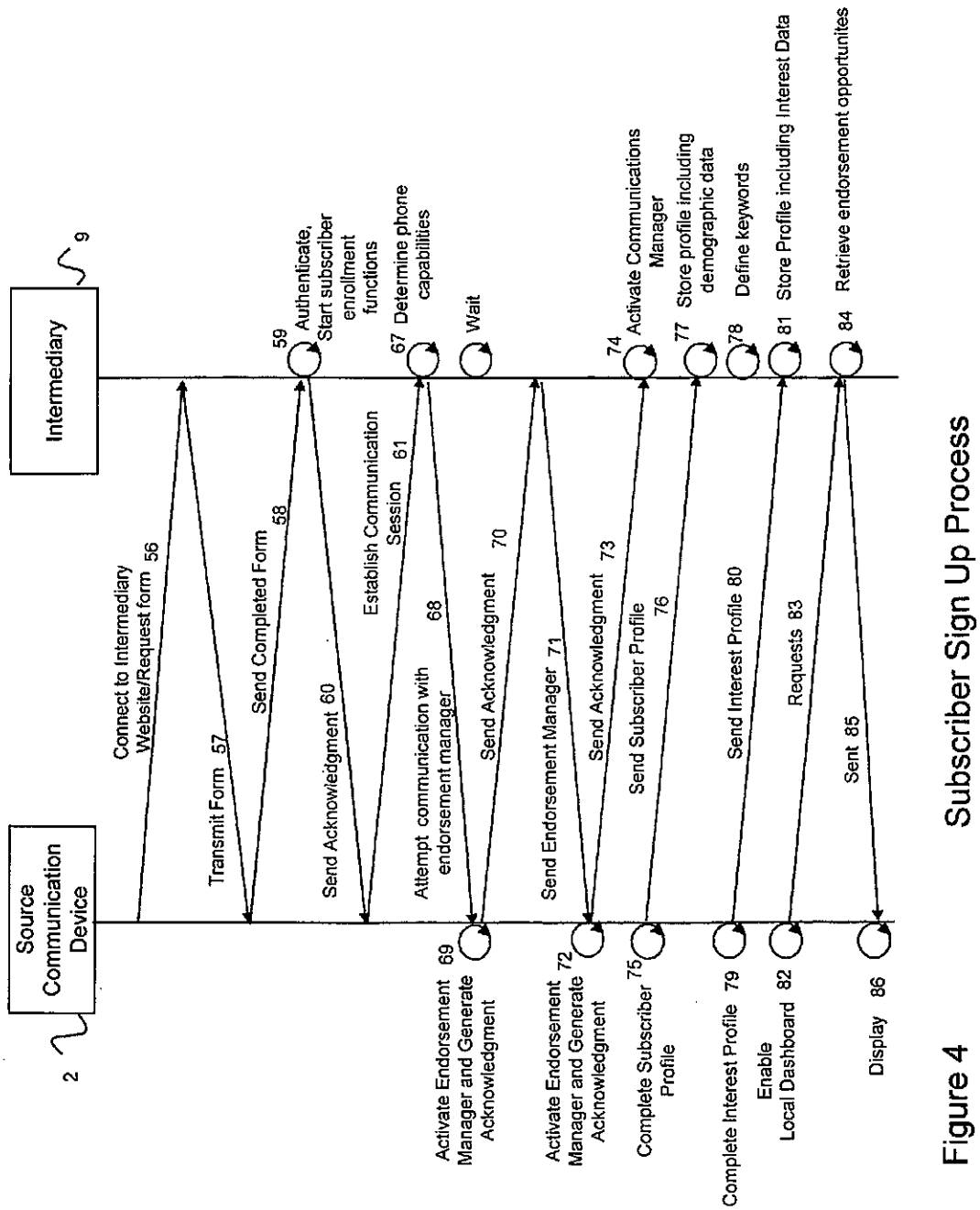

Figure 4 Subscriber Sign Up Process

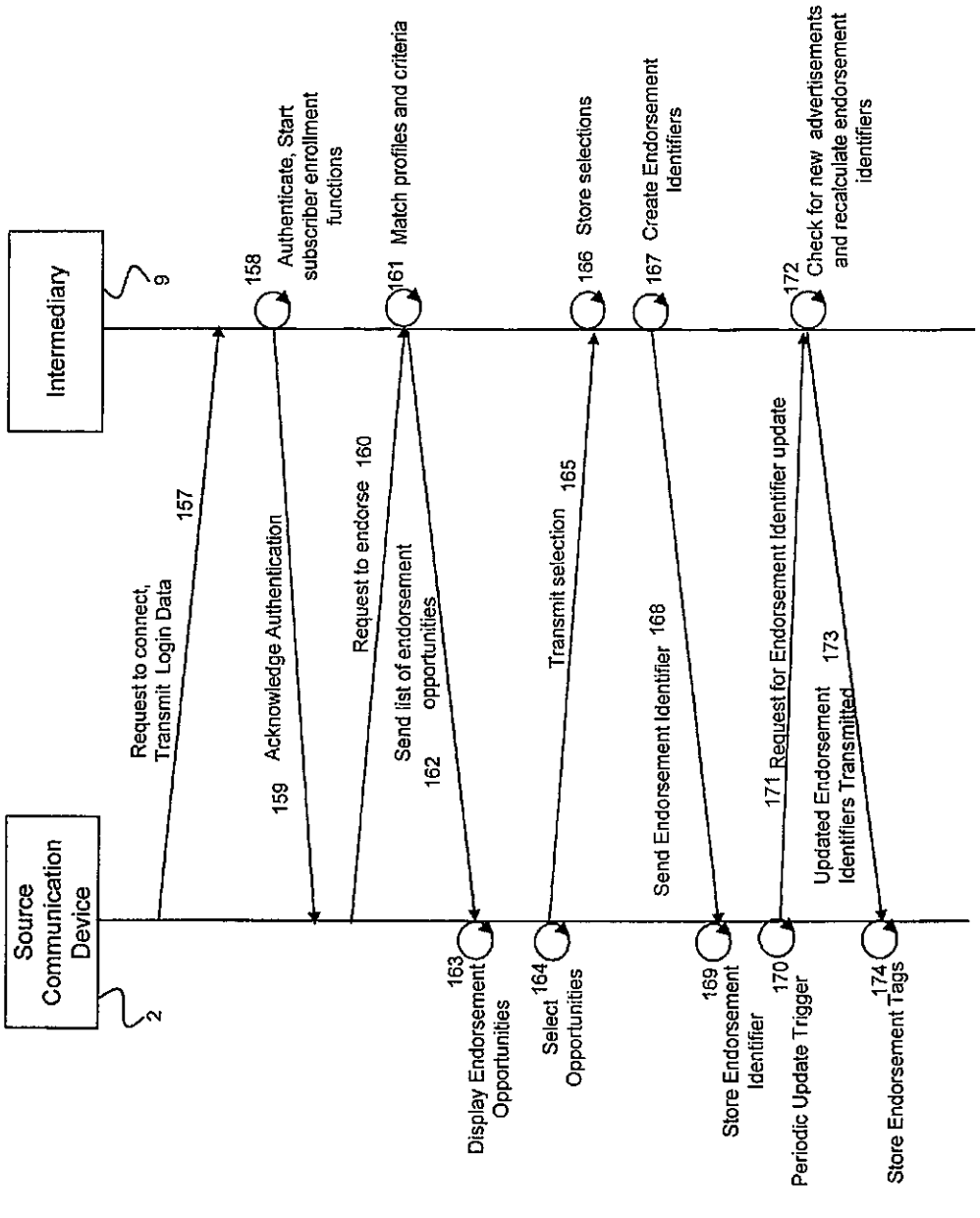

Figure 5A Manual Subscriber Enrollment Process

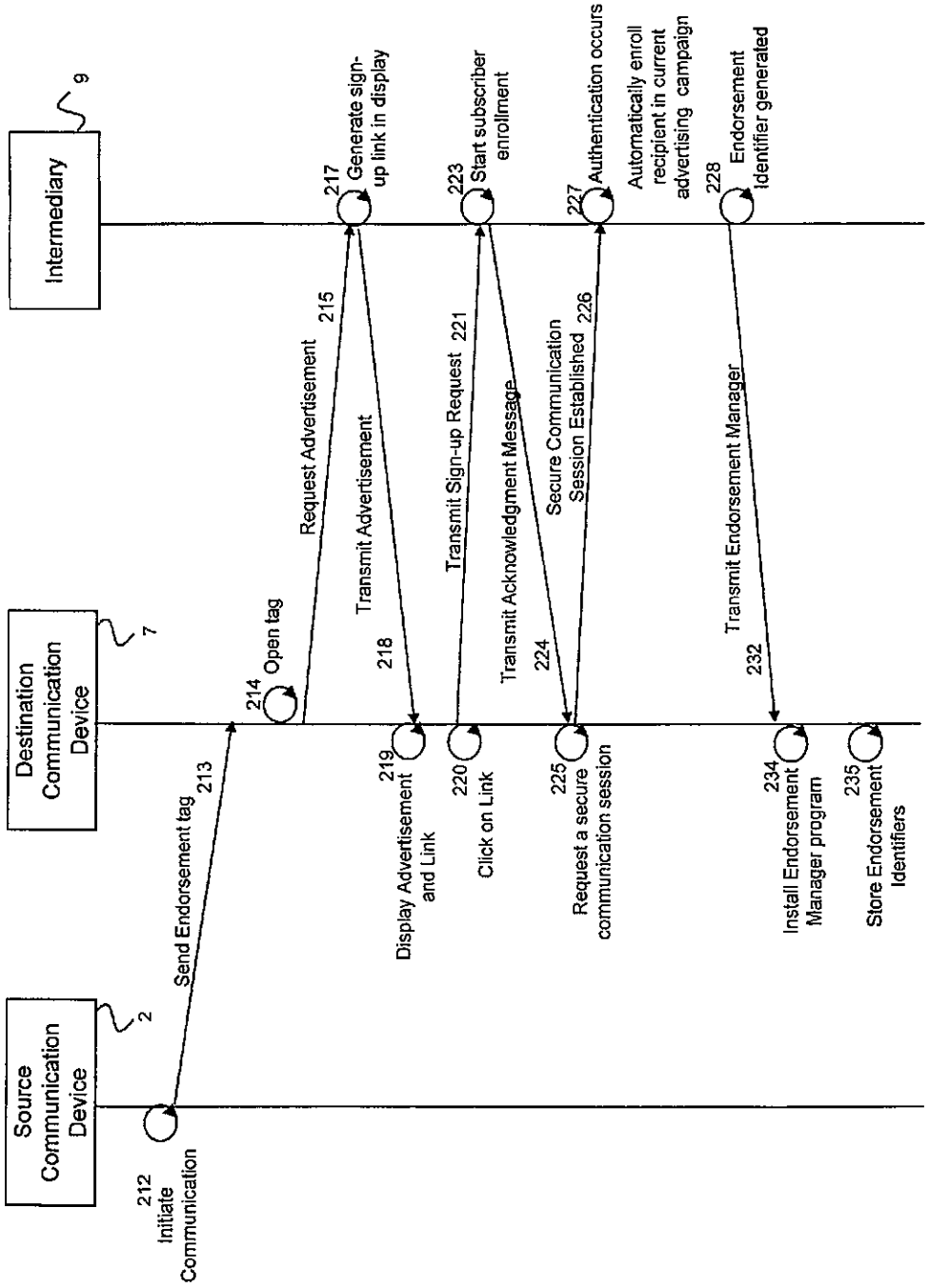

Figure 5B Automatic Subscriber Enrollment Process

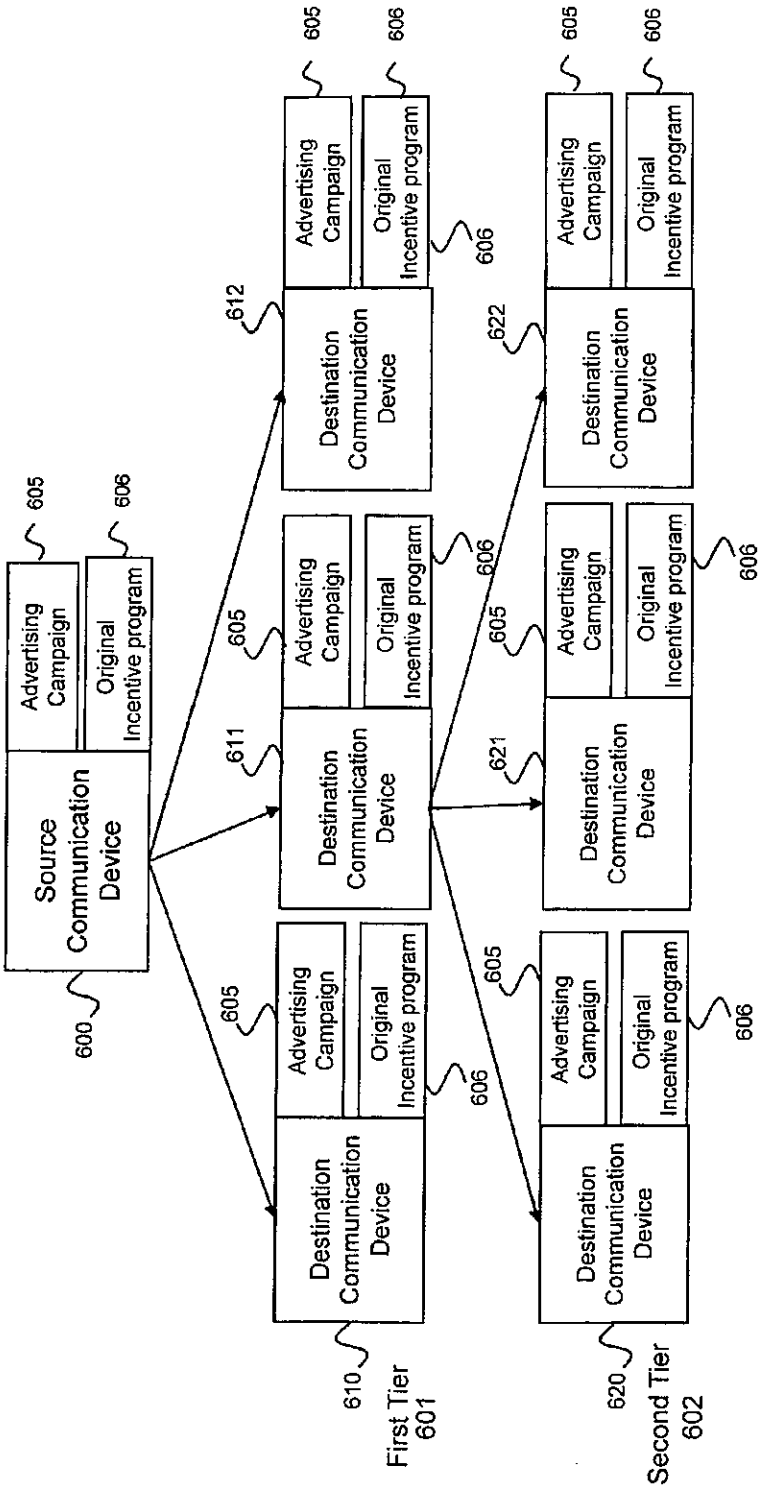

Figure 5C Automatic Multi-Tier Subscriber Enrollment Process

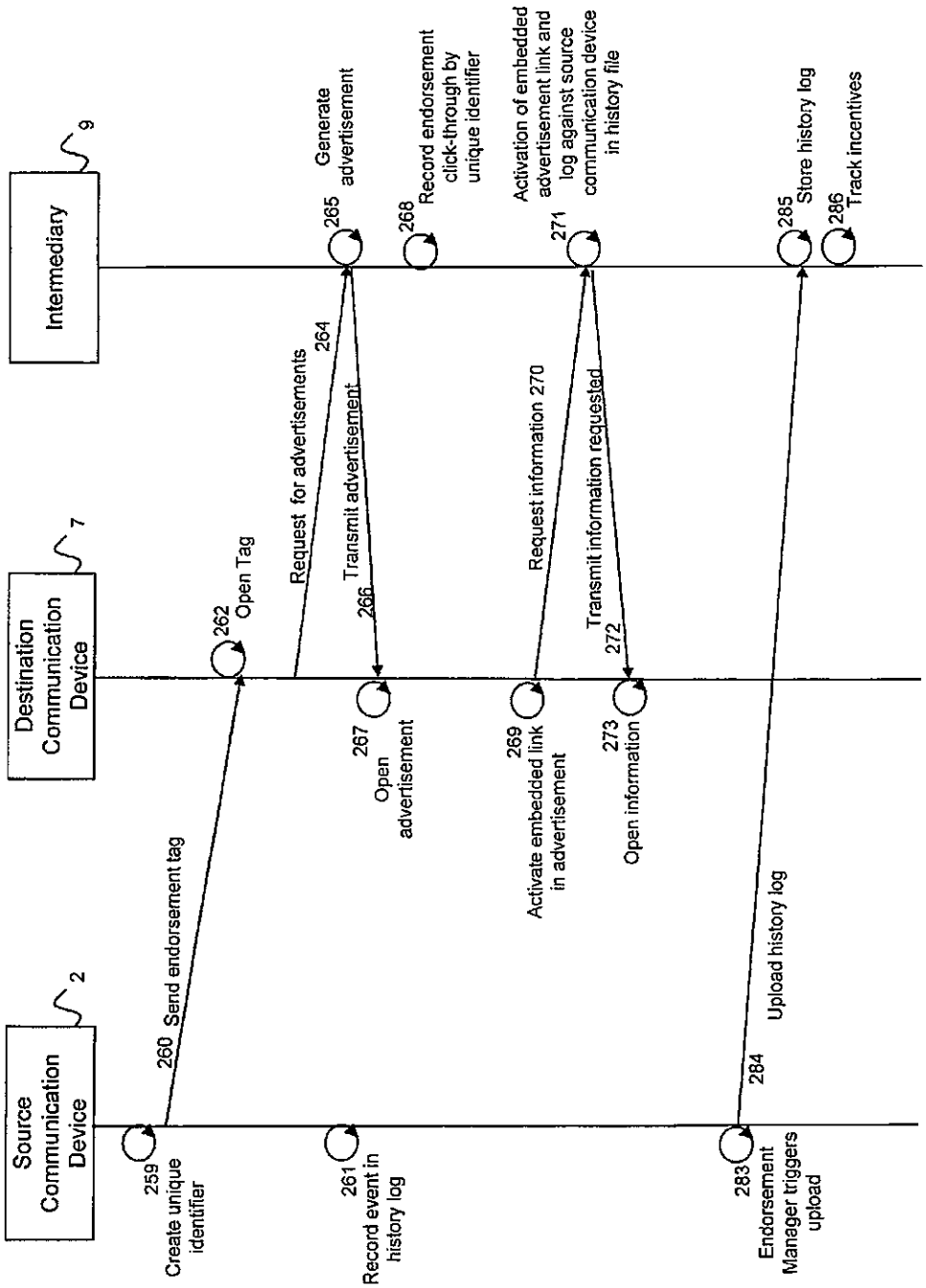

Figure 6 Advertisement Distribution Process

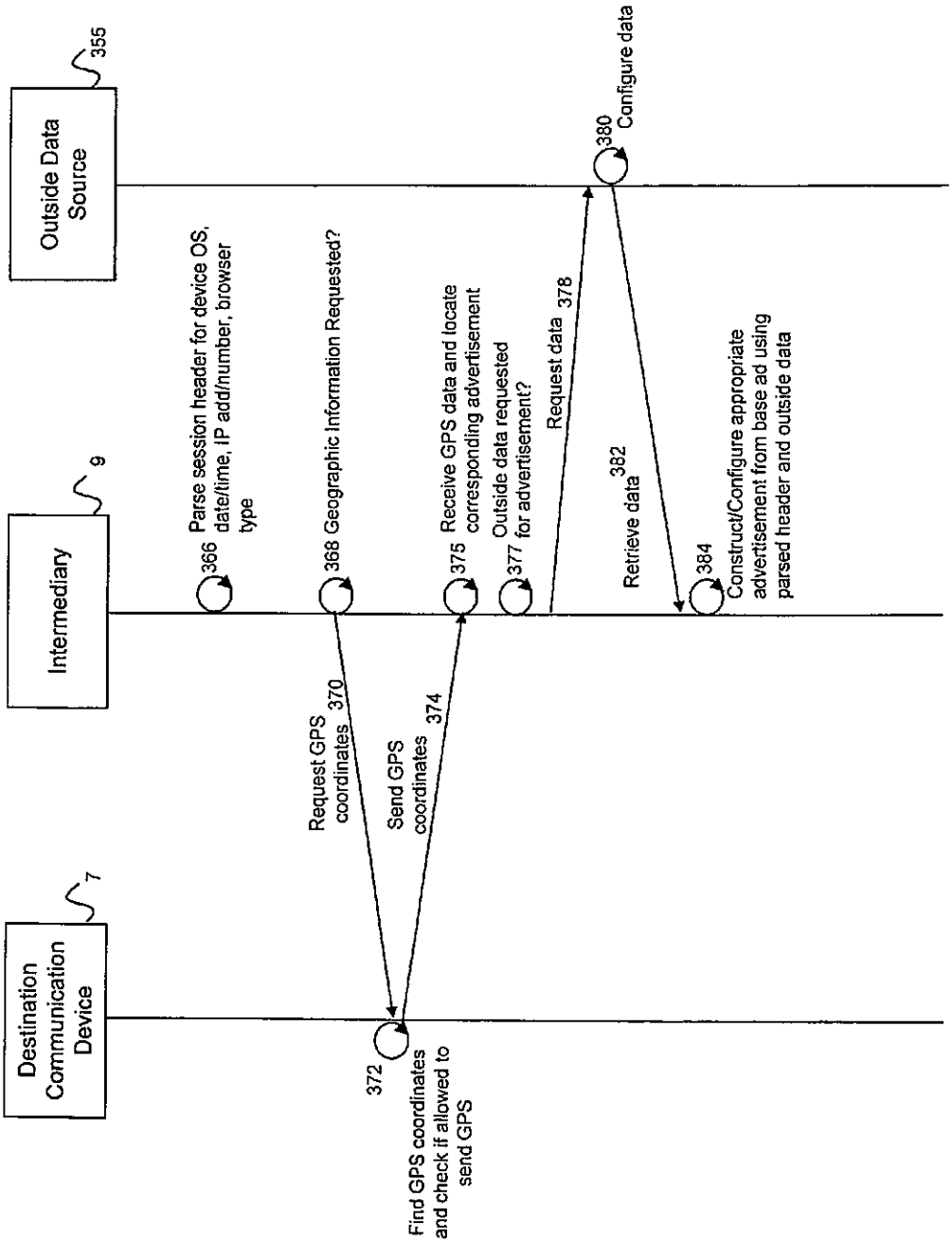

Figure 7 Dynamic Content Advertisement Generation Process

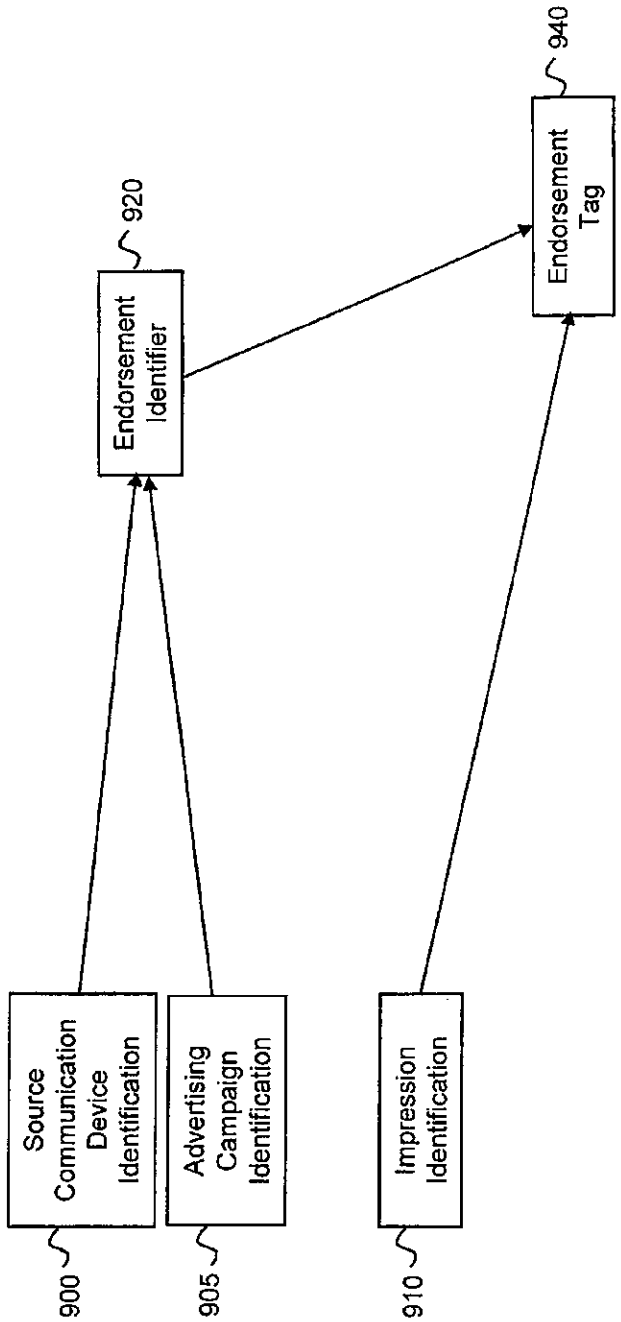

Figure 8 Creation of Unique Identifier

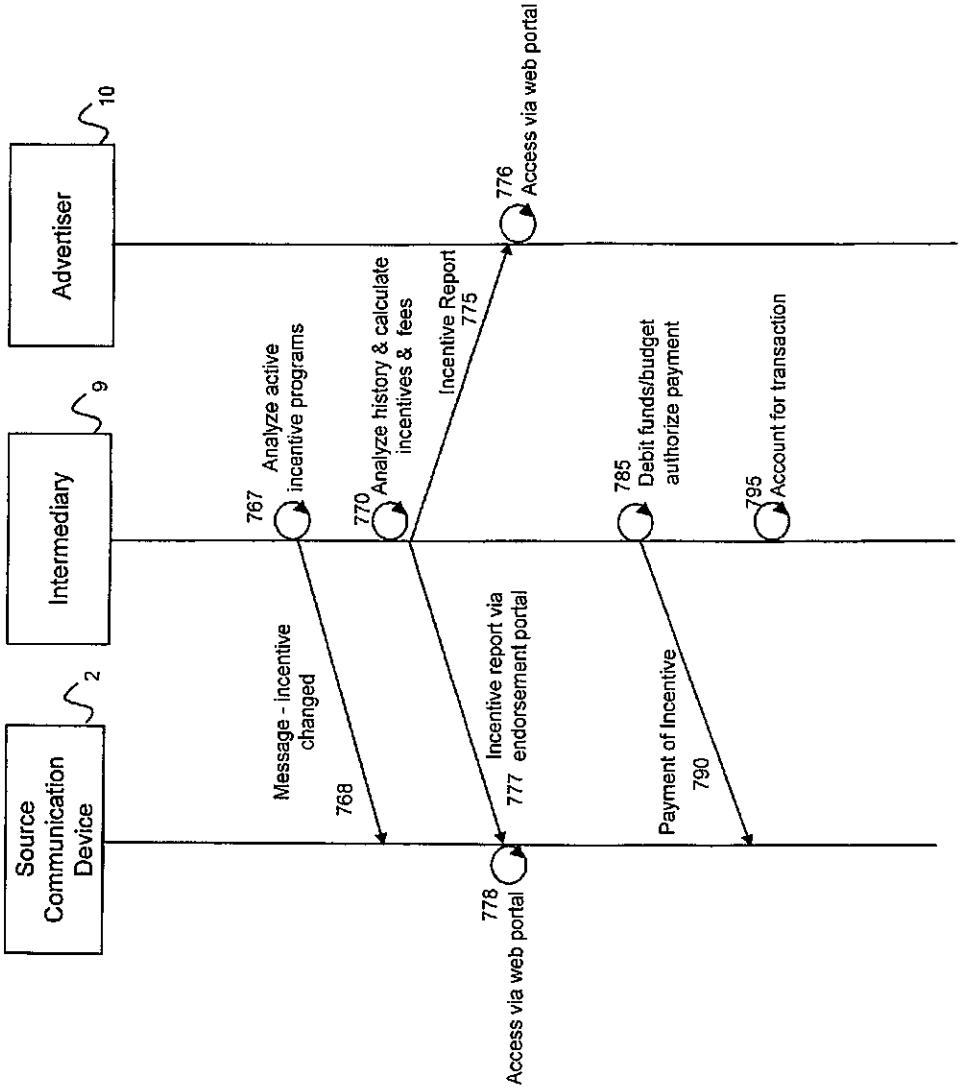

Figure 9 Incentive Administration Process

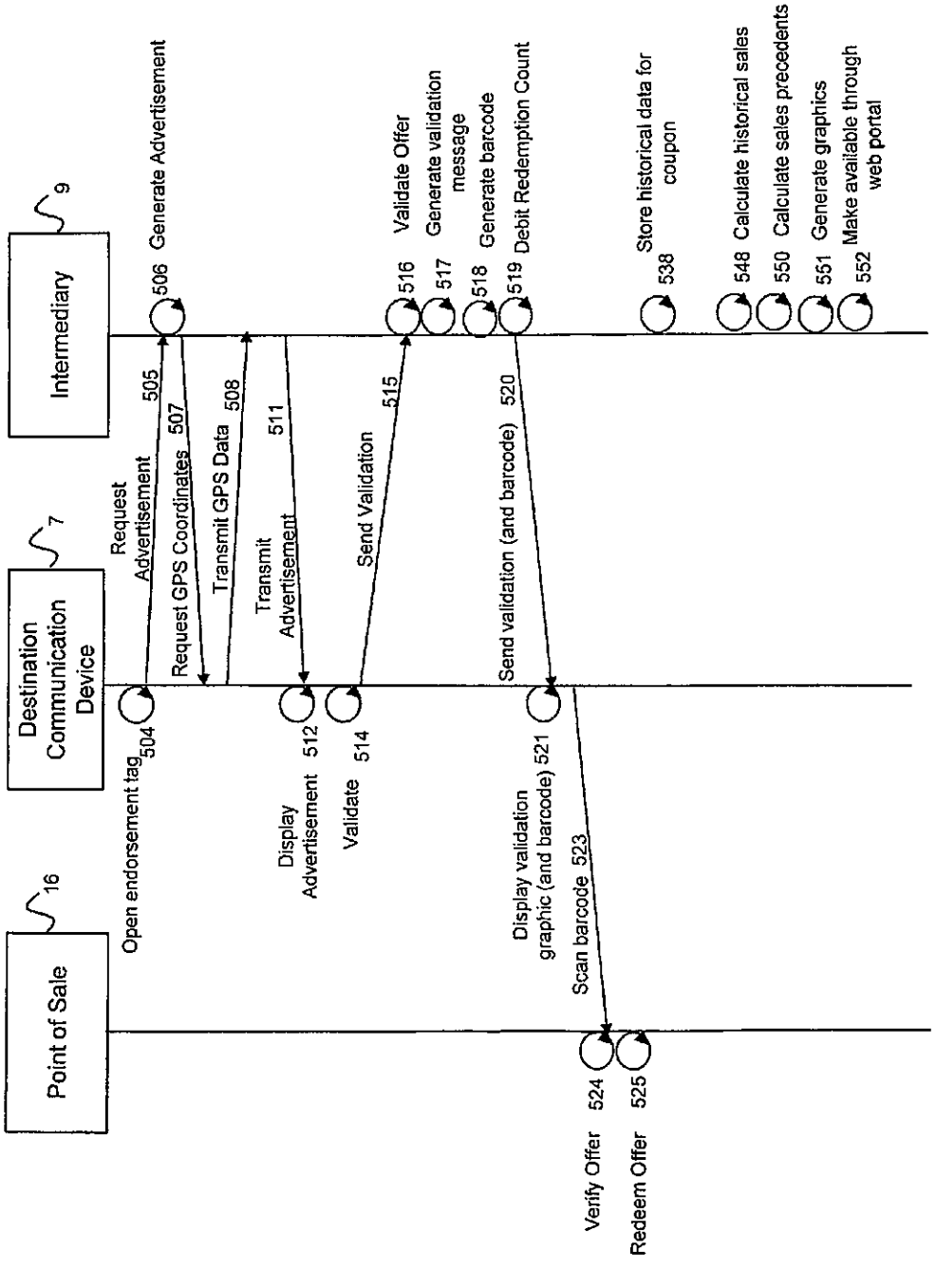

Figure 10 Electronic Offer Redemption Process

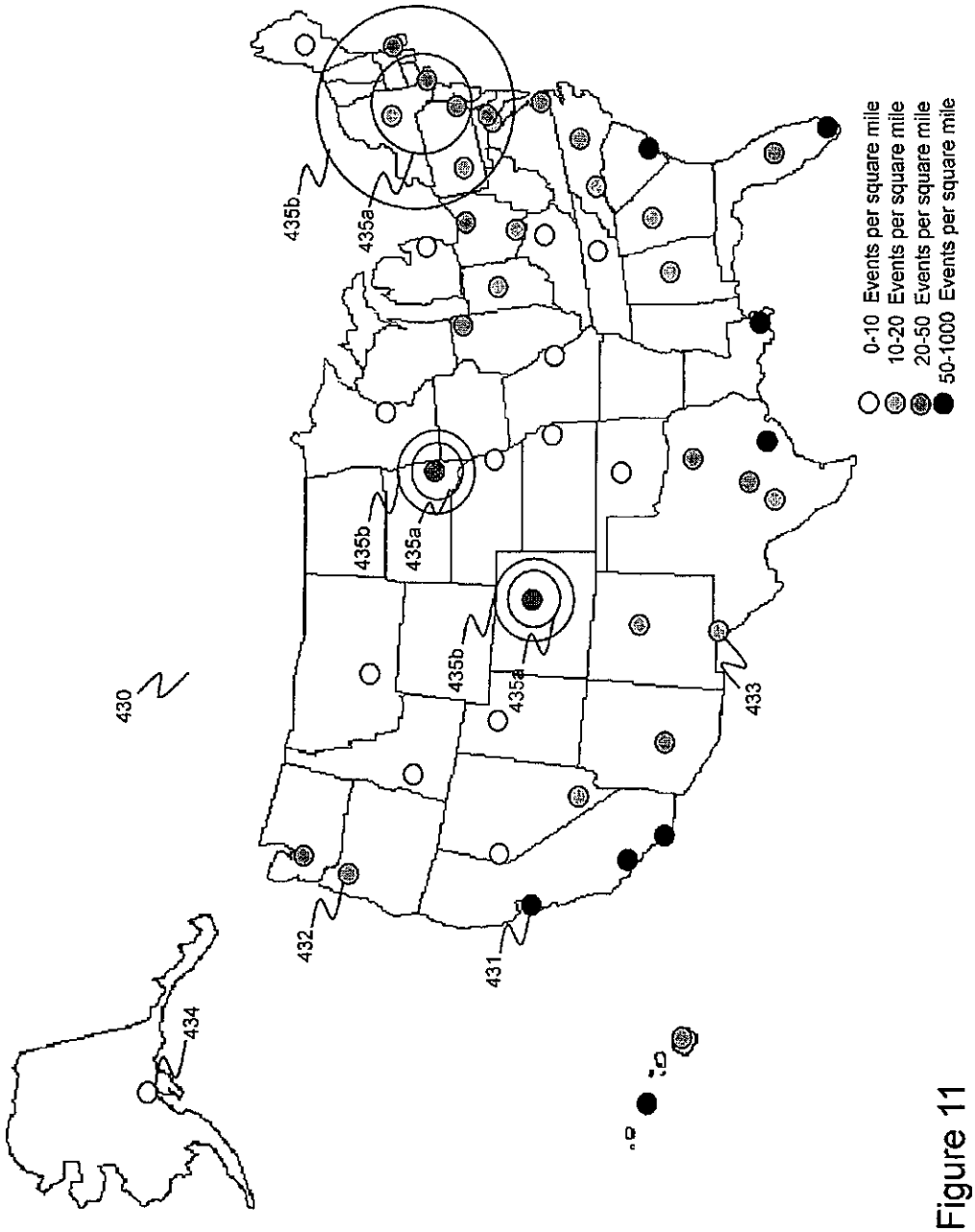
0-10 Events per square mile
10-20 Events per square mile
20-50 Events per square mile
50-1000 Events per square mile
430
431
432
433
434
435a
435b

Figure 11

SYSTEM AND METHOD FOR PROVIDING ENDORSED ELECTRONIC OFFERS BETWEEN COMMUNICATION DEVICES

CROSS-REFERENCE TO RELATED APPLICATIONS

This application claims priority from U.S. Pat. No. 7,664,516 filed on Dec. 23, 2005, U.S. Provisional Patent Application No. 60/639,267 filed Dec. 27, 2004; U.S. patent application Ser. No. 12/592,019 filed Nov. 18, 2009; and U.S. patent application Ser. No. 12/803,635 filed Jul. 1, 2010. The disclosure in U.S. Pat. No. 7,664,516 and U.S. patent application Ser. Nos. 12/592,019 and 12/803,635 are incorporated herein by reference.

BACKGROUND

It is well known that traditional advertising media such as newspapers, public radio and television has suffered a dramatic decrease in popularity and advertising effectiveness with the advent of the internet and mobile phone technology. Advertisers, therefore, are highly motivated to identify new methods of distributing advertisements in order to create effective brand awareness. As newer technologies such as mobile phones evolve into highly sophisticated two-way communication systems, such technologies can be leveraged to provide trackable advertising impressions and brand awareness by directly displaying advertisements and testimonials to potential customers.

Today, consumers can control which advertisements reach them more effectively than in the past. For example, newer technologies like digital video recorders (DVRs) allow users to skip undesirable advertisements. Similarly satellite radio allows users to listen to music without commercials.

With the declining ability to offer advertisements through traditional broadcast advertising media, this invention provides an advertising system that offers frequent and effective advertising to targeted audiences.

This invention also provides a system in which recipients view personally endorsed advertisements by known contacts to increase the acceptance of the advertisement and to link to personalized testimonials of the advertisement for distribution to the existing personal contacts.

This invention provides the ability to generate, transmit, validate and track usage of electronic offers and award subsidies and value to subscribers and recipients.

Other advantages and aspects of the invention will become apparent upon reading the following disclosure.

SUMMARY

The system disclosed provides for transmission of an endorsement tag between a source communication device and a destination communication device over a network. The endorsement tag includes a serialized URL link that when activated causes an advertisement to be sent from a third party intermediary to the destination communication device over the network. The intermediary functions to, among other things, identify which advertisement to send by virtue of decoding the serialized URL link and associating that link with a stored advertising content.

The system provides for a "bi-directional" acceptance process between a subscriber and an advertiser. The bi-directional selection process allows subscribers to choose or "endorse" certain advertisers and advertising campaigns with which they wish to associate. The bi-directional selection process also allows advertisers to choose which subscribers to approve by virtue of a review of related demographic, psychographic or interest information of each subscriber and pre-qualification of acceptable candidates.

The advertiser determines if the subscriber is pre-qualified based on a correlation between the subscriber's demographics and those desired by the advertiser. Pre-qualification of one subscriber allows the advertiser to target advertisements to a related group of potential customers because the qualified subscriber's contacts presumably share some or all of the same attributes and/or interests. Therefore, the contacts of the subscriber provide broad potential market to the advertiser, while requiring only a single demographic comparison to the subscriber. This allows an advertiser to focus its advertisements on favorable target markets without having to examine the attributes and interests of a large number of potentially unqualified prospects.

The system disclosed enables advertisers to reach targeted audiences by contact with mobile communications devices. Mobile communication devices encourage the recipient of a communication to accept advertisements because the session is identified as being initiated by a known contact. Only after acceptance by the recipient is the advertisement and associated testimonial displayed. Subscribers and recipients are provided incentives to participate. Cash incentives are provided on debit cards or other distribution methods.

In another embodiment, tools for social networking, including tools for the creation and display of testimonials, are combined with the incentive programs. These tools encourage recipient comments and follow-up testimonial messages. The embodiment provides for the storage, retrieval and display of the follow-up testimonial messages in connection with an advertisement.

In another embodiment, a hierarchical network of subscribers results from an initial communication. Each subscriber in the hierarchical network inherits features from the original subscriber including features of the original subscriber's profile. The inheritance accelerates the building of qualified subscribers and a broad advertising audience.

Provisions are made for incentive administration and reporting such as collecting regular advertising impression data, periodic processing of the incentive plans and continued updating of advertising campaigns and incentive programs.

It is in the interest of subscribers and advertisers jointly to participate in use of the system. For advertisers, click-throughs promote targeted brand awareness which generate demand for products. For subscribers, click-throughs promote incentive payments and perpetuate brand loyalty. Also, there is a recognition of the value of social media networking in relation to raising brand recognition through targeted testimonials related to advertisements.

In another embodiment, a system and method is disclosed for providing, validating and verifying electronic offers. The electronic offers are sent to a mobile device for use at participating point of sale. A time limitation for offer redemption may be included. Similarly, a set of redemptive limits may be set allowing simple or repeated use of the electric offer. The electronic offers and attributes related thereto may be tracked by an analytics function for historical and predictive trend analysis and for geographical mapping.

DEFINITIONS

"Advertisement": a text, picture, video, audio media or offer provided by an advertiser and associated with an endorsement tag.

"Advertiser": an entity providing an advertisement.

"Advertising Campaign": a collection of related advertisements and incentives.

"Advertising Endorsement System": a system for providing advertisements and endorsements between communication devices.

"Benefit": a discount on a service or product, a cash incentive or a product or service awarded for use of an offer.

"Computer-readable Medium": any apparatus that can contain, store, communicate, propagate, and transport a computer program for use in connection with the advertising system.

"Offer": an actionable display on a subscriber communication device or a destination communication device that when validated provides a benefit.

"Destination Communication Device": a computer, cell phone, smart phone or other device capable of receiving a communication message.

"Endorsement": an event of sending an endorsement tag to a recipient.

"Endorsement Tag": an active link including a unique identifier to allow viewing and tracking of advertisements, source communication devices and event identifications.

"Endorsement Identifier": a unique identification or code composed of a combination of a source communication device identifier and advertising campaign identification.

"Endorser": a subscriber who has selected an advertiser to endorse.

"Incentive": a reward provided to a subscriber based on an endorsement.

"Incentive Program": a set of rules governing an incentive distribution.

"Interest Criteria": Demographic and psychographic information and other information related to interests or keywords,

"Intermediary": one or more computer servers and memory executing computer applications and communications to implement the advertising endorsement system.

"Qualified Subscriber": a person who meets the demographic criteria of an advertiser.

"Recipient": a person in possession of a destination communication device.

"Source Communication Device": a computer, cell phone, smart phone or other device capable of sending a communication message and an endorsement tag.

"Subscriber": a person in possession of a source communication device, who has created a profile on the intermediary system.

"Testimonial": a text message, picture, audio or video message associated with an advertisement.

It should be understood that the terms advertisement, advertiser, advertising, benefit, campaign, destination communication device, endorsement, endorsement tag, endorser, incentive, incentive program, intermediary, qualified subscriber, recipient, source communication device, subscriber, and offer, while referred to in the singular shall mean their plural forms as well.

BRIEF DESCRIPTION OF THE DRAWINGS

The following disclosure is understood best in association with the accompanying figures. Like components share like numbers.

FIG. **1** is a diagram of exemplary components of an advertising endorsement system.

FIG. **2** is a block diagram of exemplary components of the intermediary.

FIG. **3** a flowchart of an embodiment of the advertiser enrollment process.

FIG. **4** is a flowchart of an embodiment of a subscriber sign-up process.

FIG. **5**A is a flowchart of an embodiment of a manual subscriber enrollment process.

FIG. **5**B is a flowchart of am alternate embodiment of an automatic subscriber enrollment process.

FIG. **5**C is a flowchart of an embodiment including an automatic multi-tier subscriber enrollment process.

FIG. **6** is a flowchart showing an advertisement distribution process.

FIG. **7** is a flowchart showing a method of creating dynamic advertisements.

FIG. **8** describes a method for the creation of a unique identifier.

FIG. **9** is a flowchart showing an incentive administration process.

FIG. **10** is a flowchart showing an electronic offer redemption process.

FIG. **11** is a graphical illustration of a map of activation and redemption of electronic offers.

DETAILED DESCRIPTION

FIG. **1** is a diagram of exemplary components of an advertising endorsement system for providing direct advertising between communication devices. Subscriber **1**, in possession of a source communication device **2**, subscribes to an advertisement incentive program managed by an intermediary **9** to distribute advertisements from advertiser **10** to destination communication device **7** in possession of recipient **8**.

Intermediary **9** includes a server **12**, running a group of application programs and communicating with memory **15**.

Source communication device **2** is in communication with destination communication device **7** via network **6**. Examples of network **6** may be the Internet, a private network, a cellular phone network, or other service provider networks. The source communication device and the destination communication device preferably support digital communications and recording of electronic files such as audio, pictures, text and video. Preferred communication devices include cellular phones, smart phones, internet phones, WIFI devices, personal computers, personal digital assistants and instant messaging devices.

Operating systems running on source communication device **2** and destination communication device **7** coordinate and provide control of various components. Object-oriented software systems are preferred. The software systems run in conjunction with the operating system and provide calls to the operating system programs or applications executing on the source communication device **2** and destination communication device **7**.

Source communication device **2** communicates with destination communication device **7** using a communications protocol. Examples of the communication protocol include Transmission Control Protocol/Internet Protocol (TCP/IP); Global System for Mobile Communications (GSM) including Short Messaging Service (SMS), multimedia messaging service (MMS), Code Division Multiple Access (CDMA), Wireless Application Protocol (WAP), 3G and 4G communication services including SMS, MMS protocols and WIFI.

Advertiser **10** includes a communication device capable of communicating with intermediary **9** over network **6**. Examples include servers and personal computers connected to the network.

Point of sale **16** includes a computer **17**, a local communications device **18**, a memory **19** and a second communica-

tions device. Examples of a local communications device include a barcode scanner and a local wireless network interface.

In use, the system is activated by the advertiser initiating an advertising program. To initiate an advertising program, the advertiser is required to complete a setup process, provide a set of demographic and interest criteria and build and upload advertisements to memory **15**. Application functions are configured to operate on server **12** to accomplish the setup, build and upload processes.

Subscriber **1** must sign up and enroll on the intermediary. To sign up, subscribers are required to complete a set-up process, including submission of a demographic and interest criteria to the intermediary.

The intermediary compares the demographic and interest criteria of the advertiser to the demographic and interest criteria of the subscriber to determine whether or not the subscriber is qualified. Based on the interest criteria, a set of endorsement opportunities from various advertisers is communicated to a subscriber by the intermediary.

Subscriber **1** elects to endorse an advertisement, advertiser or advertising campaign. Endorsement manager software **14** is loaded on source communication device **2**. The endorsement manager software, in concert with functions resident on server **12** facilitate completion of the setup process, endorsement process and transmission of advertisements and testimonials to the destination communication device.

When a communication is transmitted between source communication device **2** and destination communication device **7**, an endorsement tag is transmitted to destination communication device **7**. The endorsement tag includes a URL link with an embedded code that identifies the source communication device, the advertisement or advertising campaign and an impression identification. When the endorsement tag is activated by the destination communication device, the endorsement tag is decoded by the intermediary and used to locate the requested advertisement. The associated advertisement is downloaded to the destination communication device from the intermediary. The advertisement associated with the endorsement tag may be said to be "endorsed" by subscriber **1**.

In order to transmit an electronic "offer", data regarding the attributes of the electronic offer is first stored in memory **15** by server **12**. A verification link to the offer is transmitted from the source communication device to the destination communication device through the network. Upon activation of the link by the destination communication device, an offer graphic is sent from the intermediary to the destination communication device. Validation of the offer by the intermediary then occurs. In another embodiment, validation occurs by the intermediary confirming location of the geographic location of the destination communication device through GPS coordinates. Upon verification, the intermediary transmits a validation or rejection graphic to the destination communication device which is then displayed. The validation graphic may include a bar code.

Point of sale **16** completes a sales transaction with recipient **8** in which electronic offer information is scanned from the display of the destination communication device by the point of sale using local communications device **18**.

Referring then to FIG. **2**, intermediary **9** includes application functions **102**, database **103** and website portal **104**.

Application functions **102** include numerous constituent programs and objects which cooperate to carry out the functions of intermediary **9**. In the preferred embodiment, the application functions comprise software written in object oriented languages. These include system administration **121**, advertiser enrollment **105**, subscriber enrollment **106**, communications manager **107**, campaign builder **108**, testimonial manager **109**, performance manager **110**, incentive manager **111**, analytics manager **112** and dynamic content manager **122**.

System administration **121** provides for administration and maintenance of the various objects, including database management and management of website portal **104**. Creation, deletion and editing of files and profiles is provided. Functions for screening of testimonials and demographic criteria are also provided.

Advertiser enrollment **105** coordinates and records the interaction between advertiser **10** and intermediary **9**, as will be further described.

Subscriber enrollment **106** controls and records the interaction between the subscribers and the intermediary, as will be further described.

Communications manager **107** coordinates the functions between the endorsement manager software resident on the source communication device and the intermediary.

Campaign builder **108** is responsible for creating, coordinating and organizing campaigns and associated advertisements which are transmitted to the destination communication device. In the preferred embodiment, campaign builder **108** includes a set of design criteria including dimensions, preferred fonts, colors, and other graphics tools which are supplied to the advertiser via website portal. In an alternate embodiment, campaign builder **108** provides predetermined advertisement formats suitable for inclusion of custom text paragraphs to speed advertisement development. Once an advertisement is built, it is uploaded for storage in database **103**. Campaign builder **108** also provides for grouping of advertisements into "campaigns." Each campaign may include attributes of timelines for deployment of each advertisement, geographic limitations, incentive programs and interest criteria for qualified subscribers. Each campaign is administered by the dynamic content manager.

Performance manager **110** provides the function of receiving and storing history log files from source communication devices by way of communication manager **107**.

Incentive manager **111** coordinates the functions of tracking subscriber incentives and incentive payouts. In a preferred embodiment, the incentive manager also provides the functions of communication with financial institutions to receive payments from advertisers. Incentive manager **111**, in a preferred embodiment, is also responsible for the functions of processing distributions to subscribers as incentives, and for tracking all accounting functions of the system. The incentive program may pay cash incentives, incentivize communication fees, offer product discounts, generate "rewards points" or provide product or service credit. The preferred embodiment of an incentive program utilizes a programmable electronic debit card to which credits are periodically uploaded. Incentive program selections may be made according to predefined incentive program types displayed and captured by a web form. The incentive program further requires specifying the incentive pay out. For cash and cash-like incentives (e.g. discounts or coupons) the preferred incentive program specifies an incentive amount for each recorded impression, an incentive amount for each recorded click-through, and an incentive amount for each additional action taken. Additional actions include an action that is taken in response to an advertisement or offer, for example, redeeming any offer and watching a video clip.

Analytics manager **112** is responsible for providing the functions of report generation utilized to analyze and report data related to subscribers, recipients, advertising campaigns,

advertisements, endorsements and testimonials. Analytics manager **112**, in a preferred embodiment, also provides the functions of statistical analysis and prediction generation based on historical data to determine the effectiveness of an advertisement or advertising campaign. In a preferred embodiment, analytics manager **112** is also responsible for statistical analysis of the demographics of purchasing patterns related to demographics, geographic location, and time of day or date during the year.

Dynamic content manager **122** is responsible for providing functions related to the business logic used to deliver relevant and advertising content based on geographic location, date, day of week, time of day, interest criteria, weather conditions, or offer variations.

Database **103**, in a preferred embodiment, is preferably comprised of a relational database written in a structured query language. The database provides structured data for queries, information retrieval and report generation, as well as maintenance.

Database **103**, in the preferred embodiment, includes subscriber data **113**, advertiser data **114**, history data **116** and accounting data **118**.

Subscriber data **113** includes demographic information, psychographic data, interest criteria, identification information and login information for each subscriber. Subscriber data **113** also includes current and historical matches, and incentives earned for each subscriber.

Advertiser data **114** includes advertiser identification and log-on information. Advertiser data **114** also includes chosen interest criteria for subscribers supplied by each advertiser. Advertiser data **114** includes advertising campaign data. Advertiser data **114** further includes distribution preferences for timing and geographic location of each advertisement in the advertising campaign. Advertiser data **114** further includes a maximum financial budget for each campaign. Advertiser data **114** further includes matching data for subscribers and cost per event specifications. Advertiser data **114** also includes a collection of electronic offers with metadata associated to each electronic offer, further comprising at least one of the advertiser identity, time limitations, and geographic use and product limitations. Examples of time limitations may be a start time and an expiration time for an electronic offer. Examples of usage limitations may be a particular geographic area or a particular retail store.

History data **116** includes a compilation of data for each advertisement and advertising campaign, including the number of advertisements sent, the subscriber who sent them, the recipient of the advertisement, the number, geographic location and identification of all click-through events.

Accounting data **118** includes account information for advertisers, historical information reflecting incentives paid to subscribers, and tracking information for singular and multi-tiered distribution of funds.

Website portal **104** includes the functions related to operation of page data **119** and log files **120**.

Page data **119** includes pages stored in memory capable of various communication functions required by the system. Page data **119** includes pages for subscriber addition, deletion and profile creation and maintenance. Similarly, page data **119** includes pages for the creation and maintenance of demographic and interest criteria, advertisements, advertisement campaigns and incentives through campaign builder **108**, incentive manager **111** and analytics manager **112**. Log files **120** include metrics of page usage and maintenance. For maintenance of the intermediary website in coordination with system administration **121**.

Referring now to FIGS. **2** and **3**, the advertiser enrollment process will be described. At step **22**, advertiser **10** connects to intermediary **9** via the website portal. Login information is supplied and a request is made to access application functions **102** through a secure communications session. At step **24**, the intermediary authenticates the advertiser login information. At step **25**, application functions of advertiser enrollment **105** are activated and coordinate functions of the advertiser enrollment process. At step **26**, pricing information is communicated. At step **27**, pricing is accepted or declined and an advertising budget is set. If accepted the process moves to step **28**. If not, the process concludes.

The advertisements and offers for the advertising campaign must be "built" and the attributes of the advertising campaign defined. The advertisements may include offers and vice versa. At step **28**, a request is made for access to the campaign builder function **108** of application functions **102**. At step **29**, the intermediary enables a campaign builder application. At step **30**, the intermediary grants access to the campaign builder function to advertiser **10**. At step **31**, forms related to creation of an advertising campaign the specific type of advertisement are completed by advertiser **10**.

At step **32**, interest and demographic criteria for qualification of subscribers is submitted.

In step **33**, advertising campaign attributes are defined and include the scheduling timeline for distribution of the advertisements in the advertising campaign.

In step **34**, electronic offer attributes are defined and include a redemption value, or range of redemption values, a product definition, a date and time and a maximum redemption count. The date and time may include a range of dates and times during which redemption can occur or change value. Offer attributes may include a geographic location for redemption, a bar code for identification, and other graphics. The electronic offer attributes may also include a weather specification. Other attributes include economic data, such as stock prices and averages, blog data, such as FaceBook posts and Twitter "tweets" and news events. Other attributes are possible and will be readily recognized by those of skill in the art. The redemption value and offer validity may be conditional on any one of the electronic offer attributes. For example, day of week and time of day may determine offer validity.

At step **35**, keywords are defined by the advertiser for use in determining a match condition with a qualified subscriber.

At step **36**, an option "auto matching" is provided. "Auto matching" is provided in three forms. First, "auto matching" may be enabled for all advertising campaigns of an advertiser. If so, each subscriber who becomes "qualified" is enabled to "endorse" every advertisement and every advertising campaign for the advertiser specified. Second, "auto matching" may be enabled for an advertising campaign. If so, each qualified subscriber is enabled to "endorse" each advertisement in the specified advertising campaign. Third, "auto matching" may be enabled for a specific advertisement. If so, each qualified subscriber is automatically qualified to endorse a specific advertisement for a specific advertising campaign.

Also at step **46**, graphics files are generated including custom graphics required for the advertisement by advertiser **10** to complete each advertisement and offer.

At step **47**, the completed form and graphics files and the interest criteria, auto matching choice, advertising campaign attributes (including offer data) and incentive programs are uploaded to the intermediary. At step **48**, intermediary **9** stores the uploaded data and assembles and stores the advertisement associated with advertiser **10** in the database in advertiser data **114**. At step **49**, the advertisement or offer is

assigned a unique identification numbers by the intermediary and stored in the database under advertising data **114**.

At step **52**, the advertiser funds the advertising campaign and executes the advertisement agreement. At step **53**, the advertiser transmits funding to the intermediary and requests execution of the advertising campaign. Funding preferably includes transmission of a cash amount to the intermediary via wire transfer. At step **54**, the intermediary records receipt of the funding and creates a record in the database in accounting data **118** by incentive manager **111**. At step **55**, the intermediary activates each advertising campaign.

Referring to FIGS. **2** and **4**, the subscriber sign-up process will be described. In step **56**, source communication device **2** connects to intermediary **9** through website portal **104**. In step **57**, a request for information is sent via a form to the source communication device from the intermediary. The form requests basic information such as communication device user's name, communication device type, and a communication device identification number such as a phone number or IP address. At step **58**, the source communication device responds by transmitting the completed form including a requested username and password. At step **59**, the intermediary authenticates the source communication device and starts subscriber enrollment **106**. Authentication may include cross-checking the phone number or the device identification and the profile information of the user with publicly available data sources. At step **60**, the intermediary sends a text message to the source communication device confirming setup. At step **61**, the source communication establishes a secure communication session with the intermediary via web services on some other secure communications channel.

In step **67**, a determination is made by the intermediary as to whether the source communication device has the technical capability to participate. At step **68**, the intermediary then checks the source communication device for an endorsement manager program by attempting to communicate with it. At step **69**, if the endorsement manager is present, a return acknowledgment message is generated. At step **70**, the acknowledgment message is sent to the intermediary. At step **71**, if the endorsement manager program is not present, then it is retrieved by the source communication device. At step **72**, the endorsement manager program is installed and is activated and an acknowledgment message is generated. At step **73**, the acknowledgment is returned to the intermediary. At step **74**, application functions of the communications manager are activated.

In step **75**, a subscriber profile form is completed. The subscriber profile includes subscriber demographic information. Subscriber demographic information includes gender, age, zip code, and may include other information such as ethnicity, income level, property ownership and education. At step **76**, the subscriber profile is sent to the intermediary. At step **77**, the Intermediary receives and stores the profile data in subscriber data **113** in the database. At step **78**, keywords are defined by the subscriber to become part of the subscriber profile to be used in determining a match condition. In step **79**, an interest profile is completed. The interest profile includes a list of hobbies, interests, affiliations and other psychographic information. At step **80**, the interest profile is sent to the intermediary. At step **81**, the intermediary receives and stores the interest data in subscriber data **113** in the database. At step **82**, the endorsement manager program enables a local endorsement dashboard. At step **83**, the endorsement manager program requests transmission of endorsement opportunities. At step **84**, the intermediary retrieves the requested endorsement opportunities. At step **85**, the endorsement opportunities are sent from the intermediary to the source communication device. At step **86**, the endorsement opportunities are displayed.

FIG. **5**A shows a preferred manual subscriber enrollment process. Referring then to FIGS. **2** and **5**A, at step **157**, the source communication device connects to the intermediary web portal and transmits login data. At step **158**, the login data is authenticated and functions of subscriber enrollment **106** are started. At step **159**, an acknowledgment is transmitted. In step **160**, the source communication device sends a request to endorse. At step **161**, the intermediary responds to the request by performing a matching process to qualify subscribers for endorsement opportunities.

The matching process correlates the demographic and interest profile data from the subscriber with the demographic criteria and interest criteria of the advertiser. In the preferred embodiment, each element of the demographic criteria, interest profile, keywords, or other criteria of the advertiser is compared to each element of the demographic profile to arrive at a match condition. [each corresponding] Similarly, each element of the interest criteria of the subscriber is compared to each element of the advertiser to arrive at a match condition.

At step **162**, the intermediary returns a list of endorsement opportunities for which the subscriber is "qualified." Each endorsement opportunity includes a description of the advertiser, advertising campaign, advertisement.

In an alternate embodiment, step **162** includes the steps of the intermediary providing a list of non-participating advertisers to the subscriber or the ability to suggest an unlisted advertiser.

The endorsement opportunities are displayed at step **163**. In step **164**, the subscriber selects a subset of the endorsement opportunities for enrollment. The subset selection is transmitted to the intermediary at step **165**. At step **166**, intermediary stores the selected subset in the database in subscriber data **113**. At step **167**, the intermediary creates a set of endorsement identifiers for each of the endorsement opportunities of the selected subset. The endorsement identifiers include embedded URLs and endorsement identifiers to serialize each specific endorsement tag with a unique code.

Referring to FIG. **8**, endorsement identifier **920** is created by calculating a hash code between source communication device identification **900** and an advertising campaign identification **905**. An example is shown below:

http://bca2.com/ad.aspx?d=12V7NS8MPTXGTFL

The source communication device identification is preferably the device serial number or the phone number.

Returning to FIG. **5**A, at step **168**, the endorsement identifier is sent to the source communication device. At step **169**, the endorsement identifier is stored on source communication device by the endorsement manager program. In step **170**, the endorsement manager program periodically triggers a refresh for endorsement identifiers from the intermediary. At step **171**, updated endorsement identifiers are requested. At step **172**, the intermediary automatically updates the endorsement identifiers which reference current versions of advertisement campaign identifications, advertisement identifications or electronic coupon identifications. At step **173**, updated endorsement identifiers are transmitted. At step **174**, the updated endorsement identifiers are stored on the source communication device by the endorsement manager program.

Once endorsement identifiers are stored on the source communication device, the "subscriber" becomes an "endorser" capable of participating in distribution of advertisements and incentive programs. A "bi-directional selection" has occurred between the subscriber and the advertiser where each has

"chosen" the other and has agreed to participate in distribution of advertisements. A "bi-directional selection" also occurs if a subscriber chooses all available advertisers and/or an advertiser chooses all available subscribers.

FIG. **5B** is a flowchart of an alternate embodiment showing an automatic subscriber enrollment process. Referring then to FIGS. **2** and **5B**, in step **212**, the source communication device initiates a communication to the destination communication device. In step **213**, the endorsement tag is sent from the source communication device to the destination communication device in connection with the communication. In step **214**, the destination communication device opens the endorsement tag. The endorsement tag is clicked, thereby activating the link incorporated in the endorsement tag. In step **215**, a request for an advertisement to the intermediary is sent.

In step **217**, the intermediary, via the dynamic content manager generates and returns the advertisement. Included in the advertisement is a sign-up link for "automatic" sign-up. In step **218**, the advertisement is sent to the destination communication device. The advertisement is displayed at step **219**. The destination communication device activates the automatic sign-up link in step **220**. A sign-up request is sent to the intermediary at step **221**. At step **223**, the Intermediary starts the functions of subscriber enrollment **106**. At step **224**, intermediary **9** acknowledges the sign-up request by sending an acknowledgement message. The acknowledgement message contains a link to download the endorsement manager. At step **225**, the destination communication device requests a secure communication session using the web portal. A secure communication session is established at step **226**.

In step **227**, authentication occurs and the destination communication device is automatically enrolled in the advertising campaign associated with the advertisement that was displayed. At step **228**, a unique endorsement identifier is generated for the destination communication device as a new qualified subscriber. In step **232**, the endorsement manager program along with the endorsement identifier is sent to the destination communication device. At step **234**, the endorsement manager program is installed and activated. At step **235**, the endorsement identifier is stored by the endorsement manager program.

FIG. **5C** shows an alternate embodiment of an automatic multi-tier subscriber enrollment process. As destination communication devices **610**, **611** and **612** are automatically enrolled, they automatically inherit the status of qualified subscriber attributed to the source communication device for advertising campaign **605** associated with the advertisement viewed. Destination communication devices **610**, **611** and **612** comprise first tier **601** of destination communication devices. Similarly, when destination communication devices **620**, **621** and **622** are automatically enrolled, they also automatically inherit the status as a qualified subscriber for advertising campaign **605** creating second tier **602** of destination communication devices. Additional tiers of destination devices are created as they receive communications from first tier **601** of destination communication devices and second tier **602** of destination communication devices. Each additional tier of destination communication devices inherits the status as a qualified subscriber for advertising campaign **605** and original incentive program **606**. The intermediary generates endorsement identifiers for each new destination communication device in each new tier of destination communication devices. The endorsement identifiers each contain the source communication device identification. The source communication device identification is used to track incentives paid to the source communication device from endorsement transactions performed by the first tier, second tier and additional tiers of destination communication devices.

FIG. **6** shows a flowchart of the advertisement distribution process of the system. Referring then to FIGS. **2** and **6**, at step **259**, the endorsement manager program generates a unique identifier.

Referring to FIG. **8**, impression identification **910** is hashed with endorsement identifier **920** to create unique identifier **940**. In the preferred embodiment, the endorsement manager program generates a number based on elapsed time from a predefined event in the past, such as the date that endorsement manager software was installed, on the subscriber communication device. An example is shown below:

http://bca2.com/ad.aspx?d=12V7NS8MPTXGTFL&i=8efvy

In alternate embodiments, other information may be combined to create unique identifier **940**, such as date and time information, geographic location information and device settings of the source communication device.

Returning to FIG. **6**, at step **260**, the endorsement manager program sends the endorsement tag containing the unique identifier to the destination communication device. At step **261**, the endorsement manager software records the transmission of the endorsement tag as an event in a history log. In step **262**, the endorsement tag is opened on the destination communication device. At step **264**, a request for an advertisement is sent to the intermediary from the destination communication device by activating the URL link embedded in the endorsement tag. At step **265**, the intermediary generates and formats an advertisement.

In a preferred embodiment, the step of generating an advertisement includes the dynamic content manager **122** of intermediary **9** decoding the hashed unique identifier in the endorsement tag and decoding advertisement campaign identification **905**. The dynamic content manager then retrieves the appropriate advertisement graphics called for by the advertisement identification from the database and formats it to match the device type of destination communication device.

FIG. **7** is a flowchart showing the detail of an alternate embodiment of dynamic advertisement generation. In step **366**, the intermediary parses the web browser session header for the destination communication device OS, time/date stamp, IP address and browser type. In step **368**, the intermediary determines if geographical location information is requested by the configuration of the advertisement. If requested, then the intermediary sends a request for GPS coordinates to the destination communication device in step **370**. In step **372**, authorization to release the GPS coordinates is provided by the destination communication device. At step **374**, the GPS coordinates are sent to the intermediary. In step **375**, the intermediary locates and retrieves an advertisement related to the GPS coordinates using the dynamic content manager.

In an alternate embodiment, the intermediary determines the geographical location of the destination communication device by determining which cellular tower is carrying the signal from the destination communication device.

In step **377**, the dynamic content manager of the intermediary determines if the advertisement requires supporting data from outside data sources is required by the advertisement. If so, at step **378**, the intermediary requests the supporting data from outside data source **355**. Examples of supporting data include weather data, news data (such as a news event), economic data (such as reports of the Dow Jones Industrial Average) and blog data (sources such as FaceBook and Twitter). At step **380**, outside data source **355** configures

the supporting data according to parameters included in the request. At step **382**, the intermediary retrieves the supporting data from the outside data source.

At step **384**, the intermediary configures the advertisement according to data from the parsed header, geographical location and outside data source.

In an alternate embodiment, generation of the advertisement is altered according to a random selection process. The intermediary randomly chooses an advertisement from a predetermined set of advertisements stored in the database of advertiser data **114**.

In an alternate embodiment, the intermediary selects which advertisement to send based on the date, time, season of the year, holiday dates, dates of special events or weather related data from outside data source **355**. Weather data may be used in association with geographic location data to determine the weather at the geographic location of the destination communication device.

In yet another embodiment, the intermediary selects the advertisement based on previous responses by the destination communication device. Previous responses are drawn from history data **116**.

Returning to FIG. **6**, at step **266**, the advertisement is transmitted to the destination communication device. At step **267**, the destination communication device opens and views the advertisement. At step **268**, the intermediary records the endorsement click-through event in the history data in association with the subscriber identified in the unique identifier contained in the endorsement tag and when available the GPS coordinates of the destination communication device.

At step **269**, the destination communication device activates an embedded link in the advertisement. At step **270**, a message is sent to the Intermediary requesting information. At step **271**, the intermediary records the request for information and logs the event against the source communication device identifier in a history file. At step **272**, the information is provided to the destination communication device. At step **273**, the information is viewed.

At step **283**, the endorsement manager program periodically triggers an upload of the history log file to the intermediary to be tracked for incentive distribution. In step **284**, the history log is uploaded. At step **285**, the history log is stored according to the source communication device identification. In step **286**, intermediary **9** compiles and tracks incentives.

FIG. **9** shows incentive administration process. Referring then to FIGS. **2** and **10**, in step **767**, the intermediary monitors active incentive programs through the functions of incentive manager **111**, and if it detects a change in an attribute of an incentive program is scheduled to occur, then at step **768**, a message may be sent to the source communication device regarding the change. Examples of changes in attributes include closure of an incentive program or an advertising campaign or temporary special events like a coupon offer.

At step **770**, performance data derived from the history log file is analyzed to arrive at an accounting of incentives and fees. At step **775**, a report summarizing the incentives and fees due is made available to the advertiser through the website site portal **104**. At step **776**, the fees due are accessed via the web portal. At step **777**, a report is made available to the source communication device regarding incentives through website portal **104**. At step **778**, the report is accessed via the web portal. At step **785**, the intermediary authorizes payment of incentives. In a step **790**, payment is made. In the preferred embodiment an electronic cash card is created and sent to the subscriber by mail. In step **795**, the financial accounts of the advertisers are appropriately debited by the incentive manager of the intermediary and stored in accounting data **118**.

Referring to FIGS. **1**, **2** and **10**, a description of a preferred method of electronic offer creation, transmission and redemption will be provided.

At step **504**, the endorsement tag is opened on the destination communication device. At step **505**, a request for an advertisement is sent from the destination communication device to the intermediary by activating the URL link embedded in the endorsement tag. At step **506**, the intermediary generates and formats the advertisement. During generation, the intermediary retrieves the offer attributes from advertiser data **114**. Various features of the offer, such graphics and the offer redemption value, can be varied based on the date, time or geographic location of the destination communication device. At step **507**, the intermediary requests the GPS coordinates of the destination communication device. At step **508**, the destination communication device supplies its GPS coordinates.

It should be noted that other location gathering mechanisms can be used to determine the locator of the destination communication device. For example, location through cell phone tower usage.

The electronic offer is transmitted to the destination communication device in step **511**. At step **512**, the destination communication device displays the electronic offer.

At step **514**, if the offer includes a validation "button", it is activated by clicking by the destination device. The "button" graphically disguises a link. At step **515**, the destination device sends a validation request to the intermediary.

In step **516**, offer manager **123** of the intermediary determines validity of the electronic offer by retrieving stored attributes of the offer from advertising data **114**. The intermediary retrieves the activation code, date, time and geographic use limitations. The intermediary also retrieves the advertiser identity, the product and the redemption value. Once retrieved, the offer attributes are compared to activation code, the date, time and known geographic location of the destination communication device. Advertiser identity and product identity are also compared. If the attributes are valid, offer processing continues. If invalid, offer processing stops.

After validation, a validation graphic message is generated by the intermediary at step **517**. The validation graphic may either indicate a valid offer message or an invalid offer message. If a valid offer is indicated, at step **518**, the intermediary may optionally generate a barcode. The intermediary maintains a running count of the number of redemption events that have occurred. At step **519**, if a valid offer is indicated, the total redemption count is debited. If the maximum redemption count has been reached, then the offer is not valid. In step **520**, the intermediary sends the validation graphic message, including the bar code if generated, to the destination communication device. At step **521**, the validation graphic is displayed on the destination communication device.

At step **523**, the barcode is scanned. The point of sale captures the barcode information from the destination communications device at step **524**.

At step **525**, the point of sale redeems the electronic offer and as it would a paper coupon.

In an alternate embodiment, the redemption event can assume different forms. For example, a link may be provided to purchase tickets at an event. Another link may be provided to activate and display a streaming video. A third type of link may be provided to schedule an appointment such as, a doctors appointment or a test drive for an automobile. Each separate link when activated communicates a message to the intermediary who then takes the appropriate action, transmits the appropriate data, or links to another site as required.

In another alternate embodiment, the redemption event is based on one or more of the electronic offer attributes. For example, the redemption event can be based on the geographic location of the destination device, a time, a date, or a number of redemption events.

At step **538**, the intermediary stores historical data for verified offers.

At step **548**, the analytics function performs a historical sales trend analysis, whereby sales associated to offer redemptions are analyzed by category.

At step **550**, the analytics function further performs a set of predictions of sales trends related to products, advertisers, offers, or subscribers.

At step **551**, the intermediary generates graphics associated with historical sales trends and sales predictions. At step **552**, the intermediary makes the graphics generated available through the web portal.

FIG. **11** is an example of a geographical map generated by the analytics manager. Geomap **430** is a map including an offer redemption density display. The display indicates offer use by summing the number of validation events for a offer type for a defined geographic region for a discrete period of time. Validation events may be indicated for each offer, each advertiser, each advertising campaign, each advertisement, and each subscriber. Shapes **431**, **432**, and **433**, are generated by calculating the density of validation events per area and displaying like colors in areas of equal density.

Animation of the geomap is enabled by the analytics manager by storing several (or many) geomaps in memory according to consecutive periods of time and then displaying them in order in rapid succession. Changes in the calculated densities of redemption events then can be visualized as changing colored areas on the geomap. As examples, areas **435***a* may be displayed at time=1. Areas **435***b* may be displayed at time=2. The increase in each area from **435***a* to **435***b* indicates an expansion of area where a similar density of events occurs. Thus, the advertiser may adjust distribution of electronic offers to various geographic areas guided by the geomap.

Although various embodiments have been described in detail, those skilled in the art will understand that changes, substitutions and alterations can be made without departing from the spirit and scope of what has been described. Accordingly, all such changes, substitutions and alterations are intended to be included as defined in the following claims.

The invention claimed is:

1. In a system comprising a network, a source communication device, a first destination communication device and an intermediary connected to the network, a method for providing an electronic offer to a first recipient associated with the first destination communication device and for incentivizing a subscriber associated with the source communication device comprising:

receiving, at the intermediary, a first profile including a set of identification requirements related to at least one advertiser of a group of advertisers;

receiving, at the intermediary, a second profile including a set of identification data related to the subscriber;

deriving, by the intermediary, a match condition between the first profile and the second profile;

determining, by the intermediary, if the subscriber is a first qualified subscriber based on the match condition;

transmitting, from the intermediary to the source communication device, a first endorsement tag related to the at least one advertiser of the group of advertisers and linked with advertising content;

transmitting a first content communication between the first source communication device and the first destination communication device;

transmitting the first endorsement tag to the first destination communication device; and,

receiving a first signal, at the intermediary from the first destination communication device, through execution of the first endorsement tag, to transmit the electronic offer.

2. The method of claim **1** further comprising the steps of:

transmitting an incentive program from the intermediary to the source communication device for participation of the first qualified subscriber; and,

incentivizing the first qualified subscriber at the source communication device according to the incentive program.

3. The method of claim **2** further comprising the step of:

verifying, by the intermediary, a validity state of the electronic offer.

4. The method of claim **3** wherein the step of verifying, by the intermediary, a validity state of the electronic offer comprises the further steps of:

receiving, at the intermediary, a set of offer attributes;

receiving, at the intermediary, a verification request from the first destination communication device;

comparing, by the intermediary, at least one offer attribute of the set of offer attributes to the verification request to arrive at a set of results;

generating, by the intermediary, a verification signal based on the set of results; and,

transmitting the verification signal from the intermediary to the first destination communication device.

5. The method of claim **4** wherein the step of comparing further comprises the steps of:

receiving, at the intermediary, a predetermined set of valid geographic coordinates in the set of offer attributes;

receiving, at the intermediary, a set of location geographic coordinates as the verification request; and,

comparing, by the intermediary, the set of location geographic coordinates to the set of valid geographic coordinates.

6. The method of claim **4** wherein the step of comparing further comprises the steps of:

receiving, at the intermediary, a predetermined set of time restrictions in the set of offer attributes;

receiving, at the intermediary, a set of time stamp data, related to execution of the electronic offer, as the verification request; and,

comparing, by the intermediary, the set of time stamp data to the set of time restrictions.

7. The method of claim **6** further comprising the steps of

generating, by the intermediary, a bar code and

including the bar code in a static graphic image.

8. The method of claim **4** wherein the verification signal is drawn from one of the group of a valid verification signal and an invalid verification signal, wherein the set of offer attributes includes a maximum number of valid verification signals; the method further comprising the steps of:

tracking, by the intermediary, a number of valid verification signals;

comparing, by the intermediary, the number of valid verification signals to the maximum number of valid verification signals; and,

generating, by the intermediary, an invalid verification signal if the number of valid verification signals is greater than the maximum number of valid verification signals.

9. The method of claim 4 wherein the step of generating includes the further step of:

generating, by the intermediary, a verification signal, including a set of redirection links drawing from one or more of the group of, a redirection link to a streaming video site, a redirection link to a ticket purchase site and a redirection link to an appointment calendar site.

10. The method of claim 3 further comprising the steps of:

receiving a set of feedback data, at the intermediary from the first destination communication device, related to a redemption event;

tabulating, by the intermediary, one or more of the set of feedback data; and,

generating, by the intermediary, a report based on the tabulation.

11. The method of claim 10 further comprising the step of:

generating, by the intermediary, a trend analysis based on the tabulation.

12. The method of claim 10 including the further step of:

generating, by the intermediary, a geographic map of validation density based on the tabulation.

13. The method of claim 12 including the further step of:

animating, by the intermediary, the geographic map of validation density to show a density change.

* * * * *

Exhibit C

(12) **United States Patent**
Levi et al.

(10) **Patent No.: US 8,457,670 B2**
(45) **Date of Patent: *Jun. 4, 2013**

(54) **SYSTEM AND METHOD FOR PEER-TO-PEER ADVERTISING BETWEEN MOBILE COMMUNICATION DEVICES**

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(73) Assignee: **Blue Calypso**, Dallas, TX (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

This patent is subject to a terminal disclaimer.

(21) Appl. No.: **13/423,048**

(22) Filed: **Mar. 16, 2012**

(65) **Prior Publication Data**

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Related U.S. Application Data

(63) Continuation of application No. 12/592,019, filed on Nov. 18, 2009, now Pat. No. 8,155,679, which is a continuation of application No. 11/318,144, filed on Dec. 23, 2005, now Pat. No. 7,664,516.

(60) Provisional application No. 60/639,267, filed on Dec. 27, 2004.

(51) **Int. Cl.**
H04W 4/00 (2009.01)

(52) **U.S. Cl.**
USPC **455/466**; 705/7.14; 705/7.38; 705/7.15; 705/14.1; 705/14.4; 725/42; 455/414.1; 455/432.1

(58) **Field of Classification Search**
USPC 705/14.4–14.46, 14.72, 7.14, 7.15, 705/7.22, 738, 14.1, 26.1; 455/466, 414.1, 455/432.1; 725/42
See application file for complete search history.

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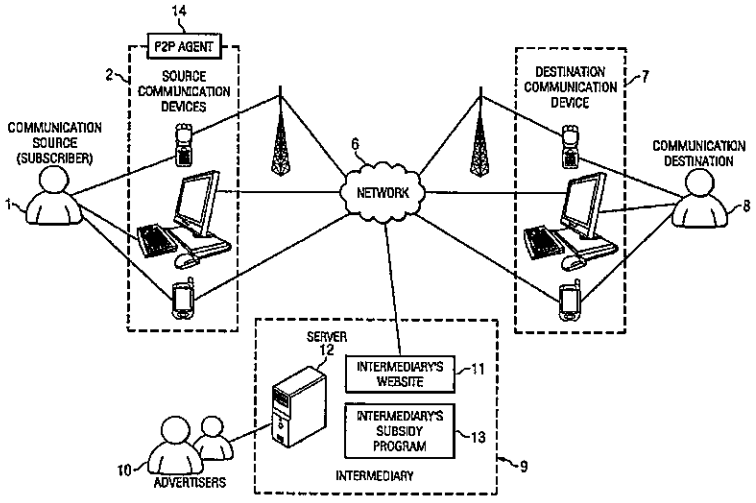
Primary Examiner — Anthony Addy
Assistant Examiner — Quan M Hua
(74) *Attorney, Agent, or Firm* — Schultz & Associates, P.C.

(57) **ABSTRACT**

Disclosed are a method and system for peer-to-peer advertising between mobile communication devices. A subsidy program is set up based on a profile of an advertiser having at least one advertising media. A qualified subscriber is identified for the advertiser based on a profile of a subscriber. One or more advertisers and subsidy programs for the qualified subscriber is selected. In addition, when a communication transmission is received from a source communication device, at least one advertising media is associated with the communication transmission and the communication transmission is transmitted from a source communication device to a destination communication device.

5 Claims, 9 Drawing Sheets



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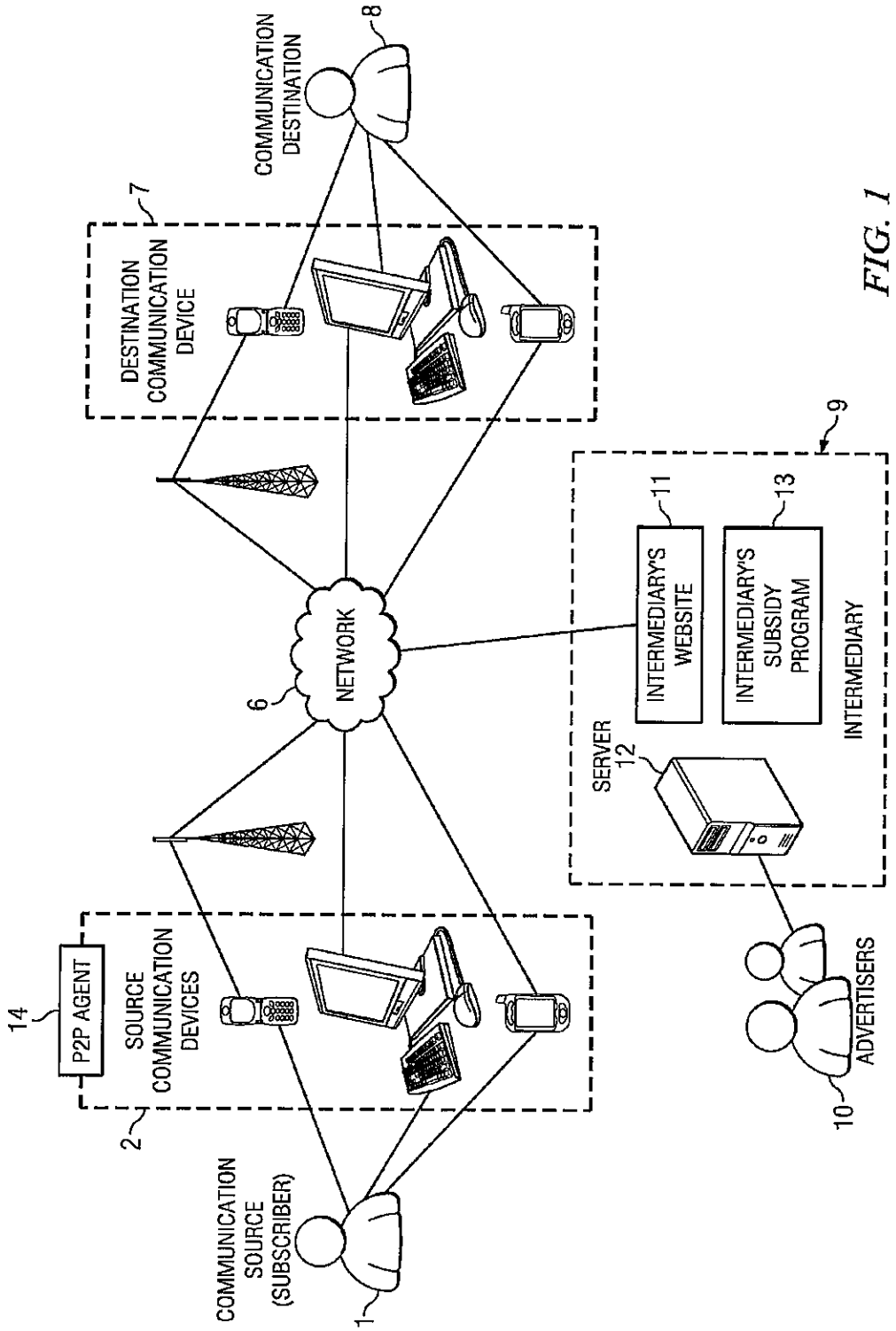
COMMUNICATION DESTINATION
8
DESTINATION COMMUNICATION DEVICE
7
NETWORK
6
INTERMEDIARY'S WEBSITE
11
INTERMEDIARY'S SUBSIDY PROGRAM
13
SERVER
12
INTERMEDIARY
9
ADVERTISERS
10
P2P AGENT
14
SOURCE COMMUNICATION DEVICES
2
COMMUNICATION SOURCE (SUBSCRIBER)
1

FIG. 1

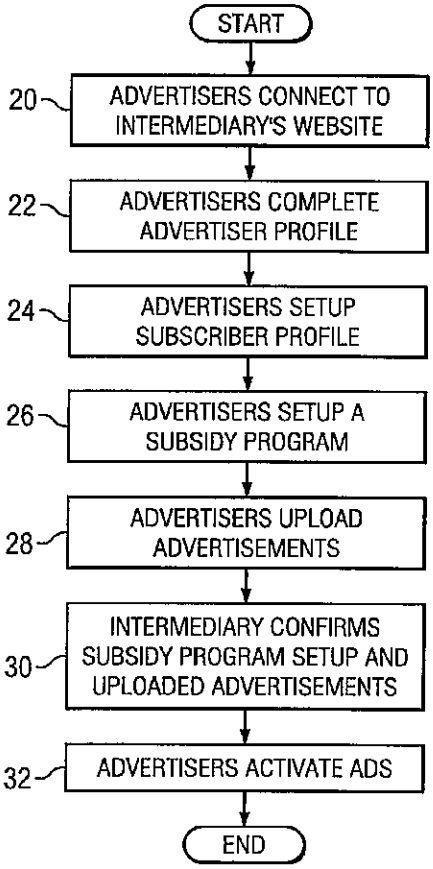
START
20
ADVERTISERS CONNECT TO INTERMEDIARY'S WEBSITE
22
ADVERTISERS COMPLETE ADVERTISER PROFILE
24
ADVERTISERS SETUP SUBSCRIBER PROFILE
26
ADVERTISERS SETUP A SUBSIDY PROGRAM
28
ADVERTISERS UPLOAD ADVERTISEMENTS
30
INTERMEDIARY CONFIRMS SUBSIDY PROGRAM SETUP AND UPLOADED ADVERTISEMENTS
32
ADVERTISERS ACTIVATE ADS
END

FIG. 2

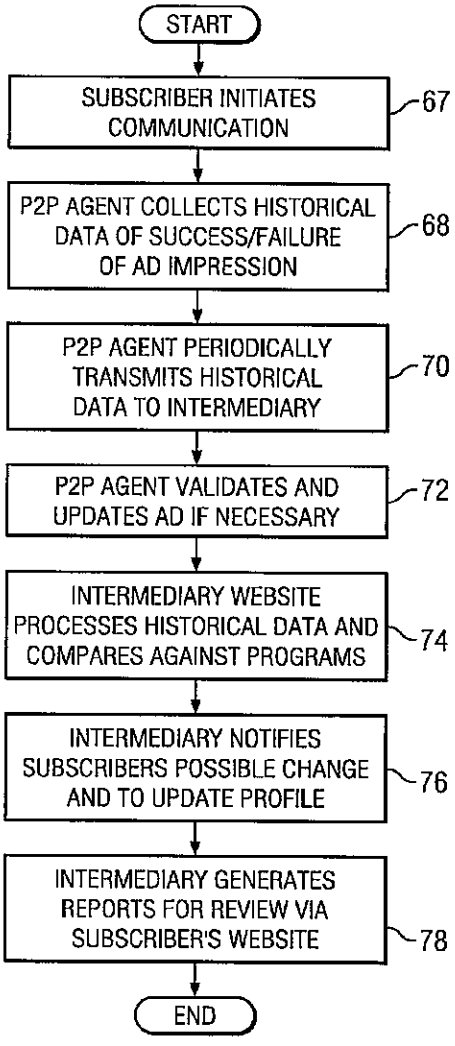
START
SUBSCRIBER INITIATES COMMUNICATION
67
P2P AGENT COLLECTS HISTORICAL DATA OF SUCCESS/FAILURE OF AD IMPRESSION
68
P2P AGENT PERIODICALLY TRANSMITS HISTORICAL DATA TO INTERMEDIARY
70
P2P AGENT VALIDATES AND UPDATES AD IF NECESSARY
72
INTERMEDIARY WEBSITE PROCESSES HISTORICAL DATA AND COMPARES AGAINST PROGRAMS
74
INTERMEDIARY NOTIFIES SUBSCRIBERS POSSIBLE CHANGE AND TO UPDATE PROFILE
76
INTERMEDIARY GENERATES REPORTS FOR REVIEW VIA SUBSCRIBER'S WEBSITE
78
END

FIG. 5

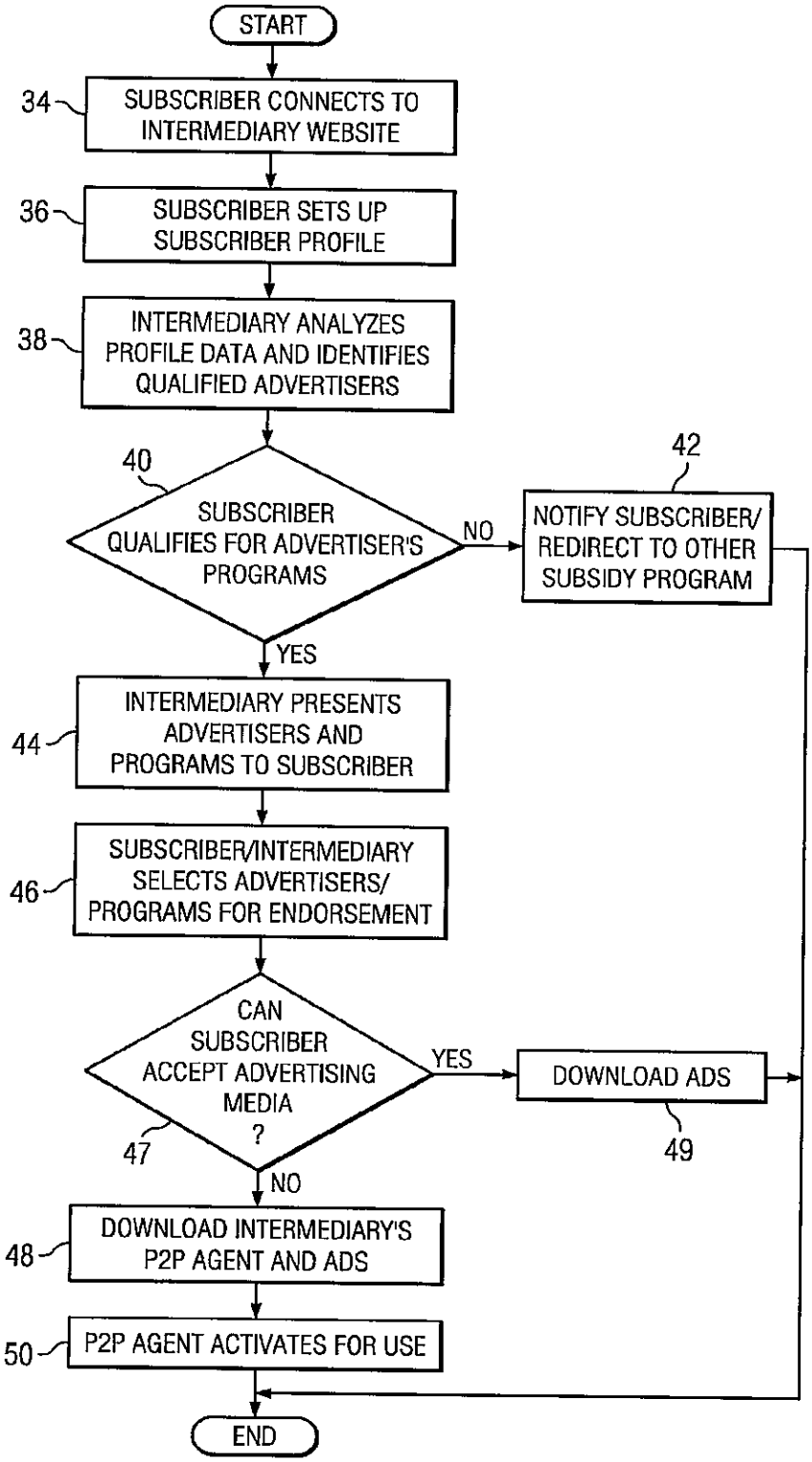
START
34
SUBSCRIBER CONNECTS TO INTERMEDIARY WEBSITE
36
SUBSCRIBER SETS UP SUBSCRIBER PROFILE
38
INTERMEDIARY ANALYZES PROFILE DATA AND IDENTIFIES QUALIFIED ADVERTISERS
40
SUBSCRIBER QUALIFIES FOR ADVERTISER'S PROGRAMS
NO
42
NOTIFY SUBSCRIBER/ REDIRECT TO OTHER SUBSIDY PROGRAM
YES
44
INTERMEDIARY PRESENTS ADVERTISERS AND PROGRAMS TO SUBSCRIBER
46
SUBSCRIBER/INTERMEDIARY SELECTS ADVERTISERS/ PROGRAMS FOR ENDORSEMENT
CAN SUBSCRIBER ACCEPT ADVERTISING MEDIA ?
47
YES
DOWNLOAD ADS
49
NO
48
DOWNLOAD INTERMEDIARY'S P2P AGENT AND ADS
50
P2P AGENT ACTIVATES FOR USE
END

FIG. 3

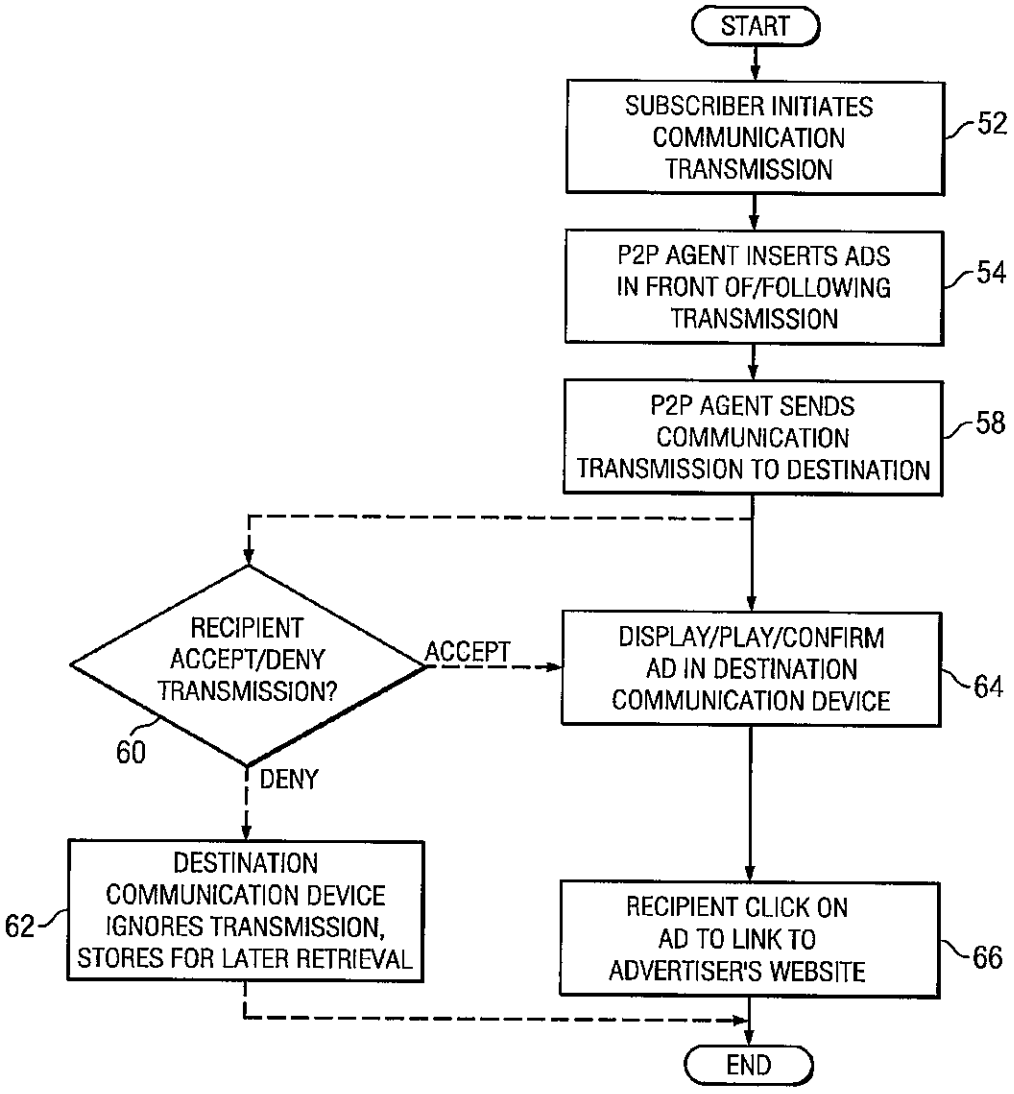
START
SUBSCRIBER INITIATES COMMUNICATION TRANSMISSION
52
P2P AGENT INSERTS ADS IN FRONT OF/FOLLOWING TRANSMISSION
54
P2P AGENT SENDS COMMUNICATION TRANSMISSION TO DESTINATION
58
RECIPIENT ACCEPT/DENY TRANSMISSION?
60
ACCEPT
DENY
DISPLAY/PLAY/CONFIRM AD IN DESTINATION COMMUNICATION DEVICE
64
DESTINATION COMMUNICATION DEVICE IGNORES TRANSMISSION, STORES FOR LATER RETRIEVAL
62
RECIPIENT CLICK ON AD TO LINK TO ADVERTISER'S WEBSITE
66
END

FIG. 4

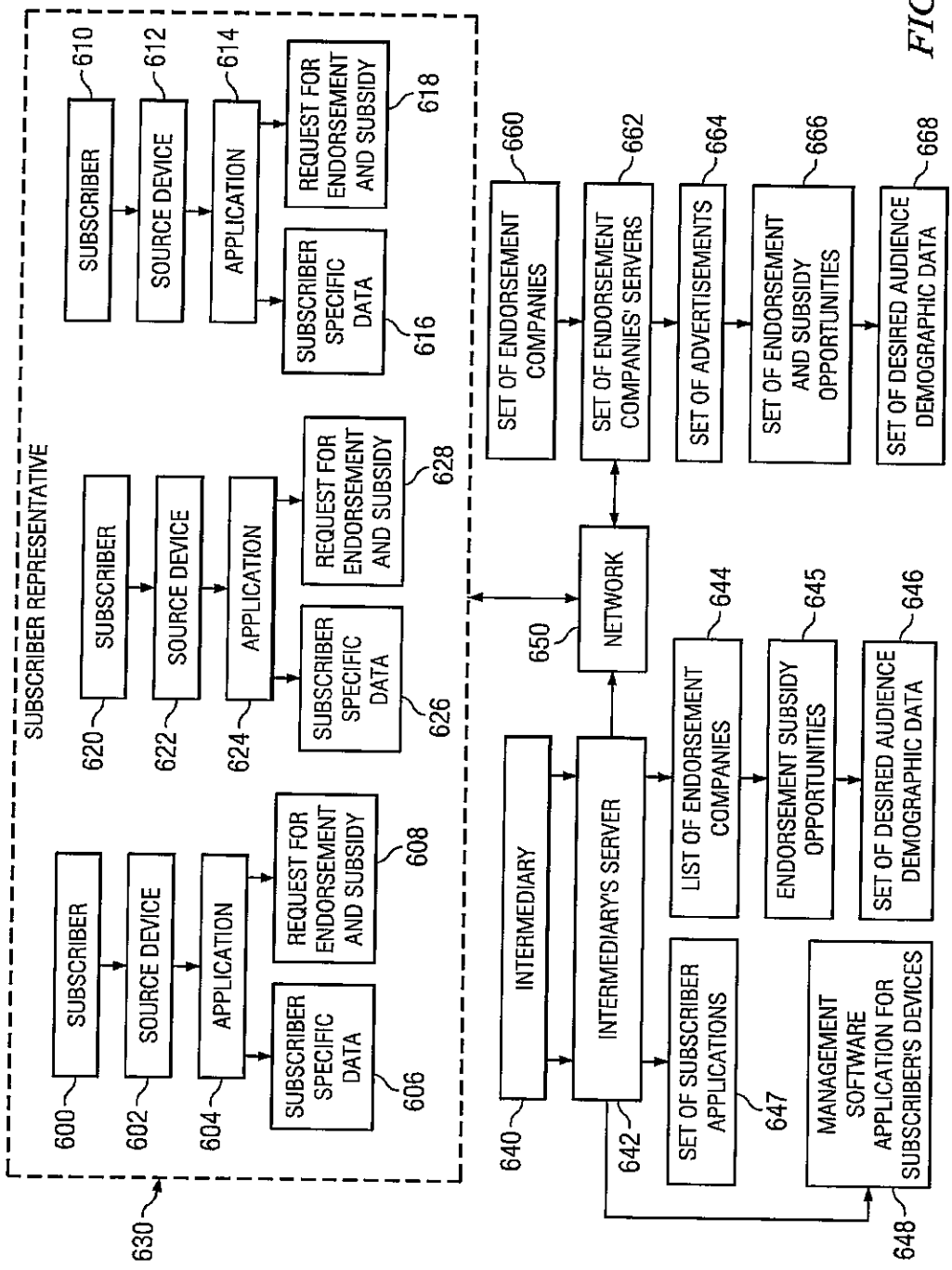
SUBSCRIBER REPRESENTATIVE
SUBSCRIBER
SOURCE DEVICE
APPLICATION
SUBSCRIBER SPECIFIC DATA
REQUEST FOR ENDORSEMENT AND SUBSIDY
600
602
604
606
608
610
612
614
616
618
620
622
624
626
628
630
INTERMEDIARY
INTERMEDIARY'S SERVER
NETWORK
SET OF ENDORSEMENT COMPANIES
SET OF ENDORSEMENT COMPANIES' SERVERS
SET OF ADVERTISEMENTS
SET OF ENDORSEMENT AND SUBSIDY OPPORTUNITIES
SET OF DESIRED AUDIENCE DEMOGRAPHIC DATA
LIST OF ENDORSEMENT COMPANIES
ENDORSEMENT SUBSIDY OPPORTUNITIES
SET OF DESIRED AUDIENCE DEMOGRAPHIC DATA
SET OF SUBSCRIBER APPLICATIONS
MANAGEMENT SOFTWARE APPLICATION FOR SUBSCRIBER'S DEVICES
640
642
644
645
646
647
648
650
660
662
664
666
668

FIG. 6

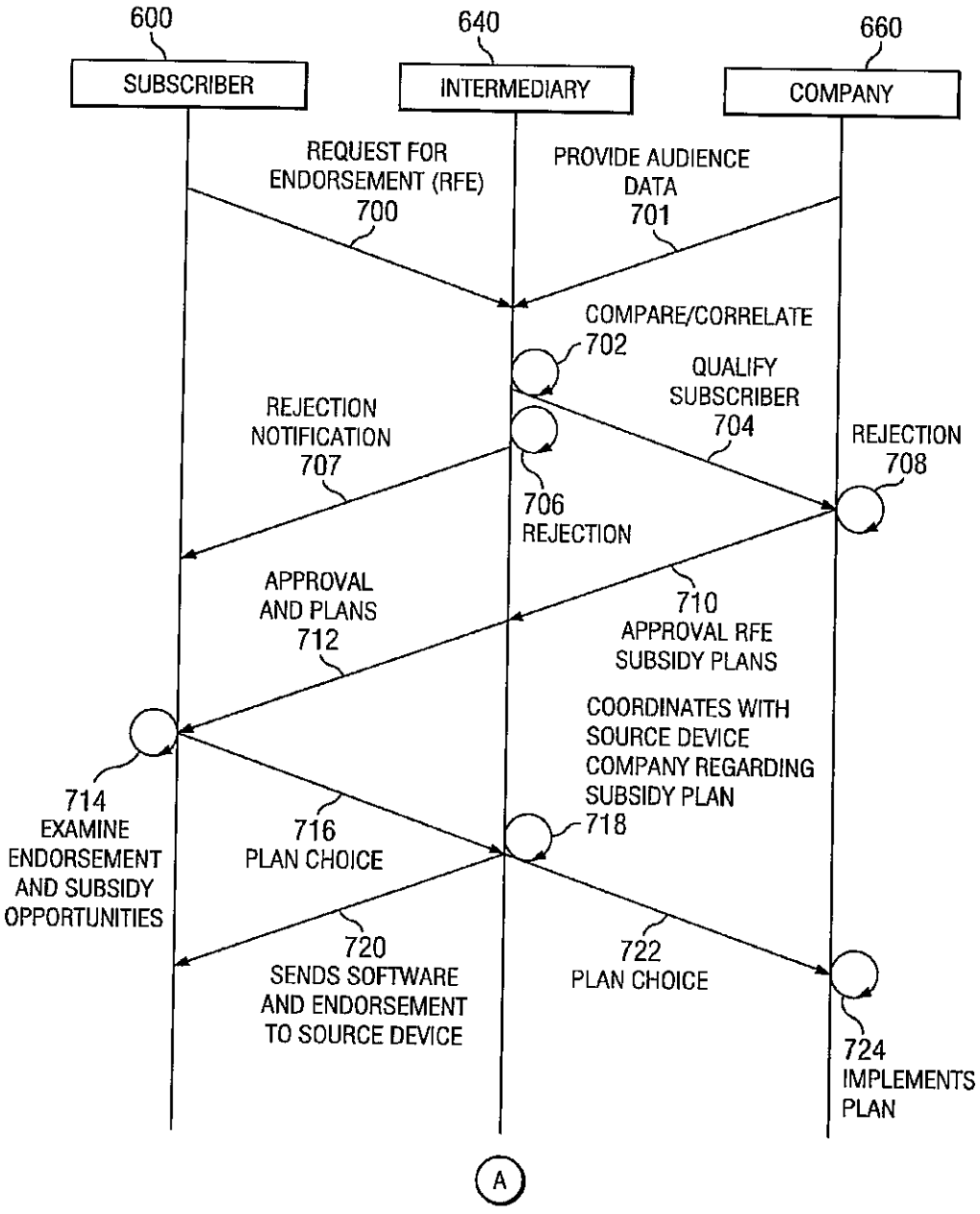
600
SUBSCRIBER
640
INTERMEDIARY
660
COMPANY
REQUEST FOR ENDORSEMENT (RFE) 700
PROVIDE AUDIENCE DATA 701
COMPARE/CORRELATE 702
QUALIFY SUBSCRIBER 704
REJECTION NOTIFICATION 707
706 REJECTION
REJECTION 708
APPROVAL AND PLANS 712
710 APPROVAL RFE SUBSIDY PLANS
COORDINATES WITH SOURCE DEVICE COMPANY REGARDING SUBSIDY PLAN 718
714 EXAMINE ENDORSEMENT AND SUBSIDY OPPORTUNITIES
716 PLAN CHOICE
720 SENDS SOFTWARE AND ENDORSEMENT TO SOURCE DEVICE
722 PLAN CHOICE
724 IMPLEMENTS PLAN
A

FIG. 7a

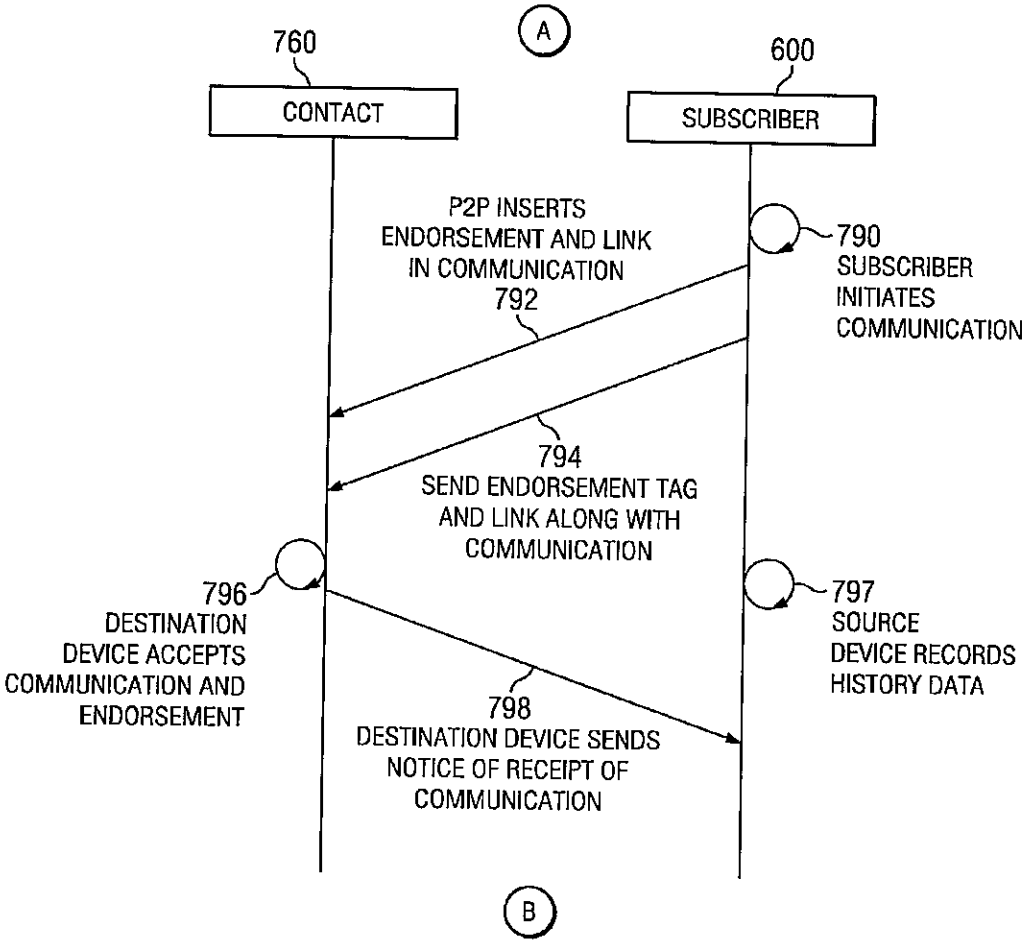
A
760
CONTACT
600
SUBSCRIBER
P2P INSERTS ENDORSEMENT AND LINK IN COMMUNICATION
792
790
SUBSCRIBER INITIATES COMMUNICATION
794
SEND ENDORSEMENT TAG AND LINK ALONG WITH COMMUNICATION
796
DESTINATION DEVICE ACCEPTS COMMUNICATION AND ENDORSEMENT
797
SOURCE DEVICE RECORDS HISTORY DATA
798
DESTINATION DEVICE SENDS NOTICE OF RECEIPT OF COMMUNICATION
B

FIG. 7b

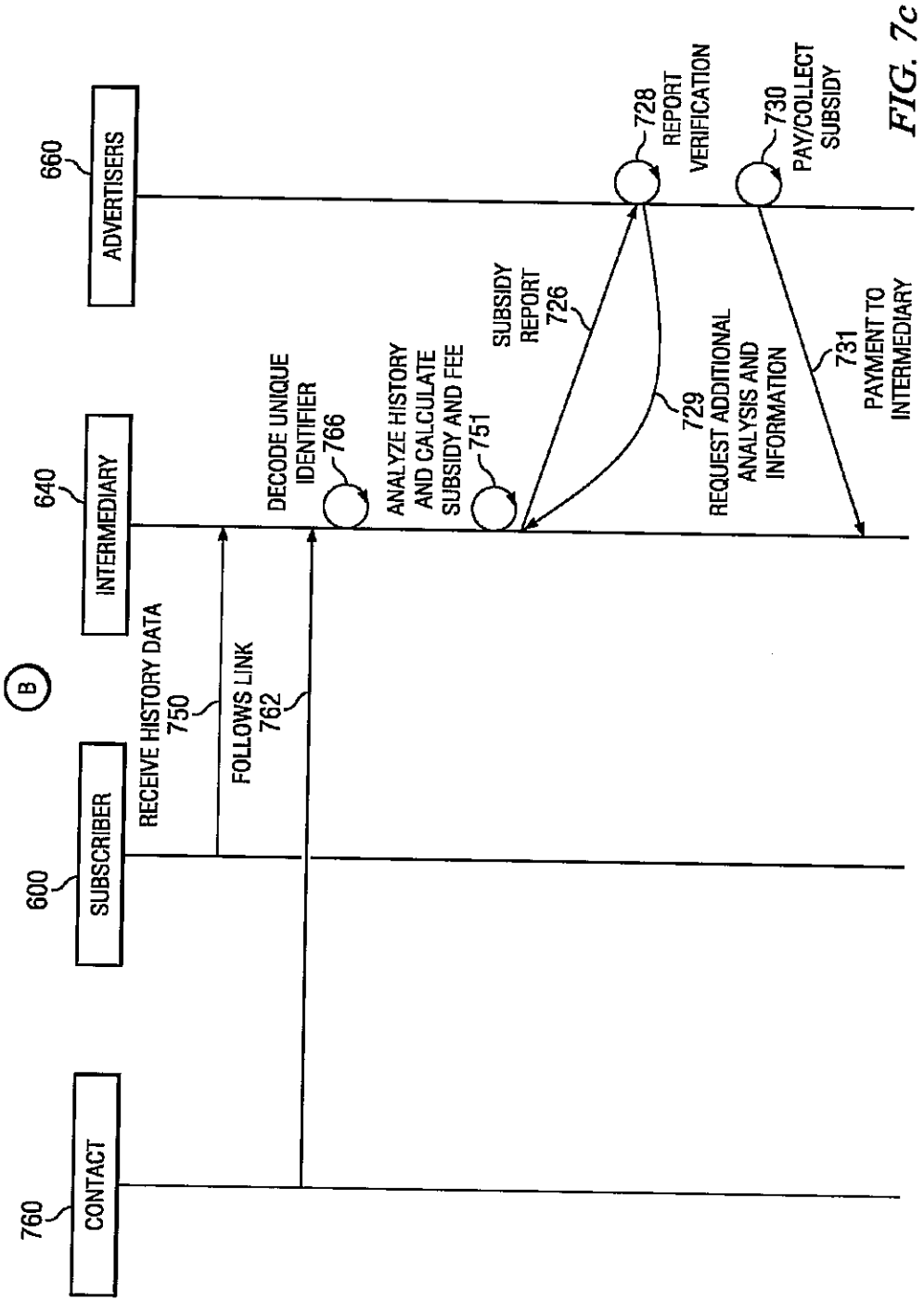
660
ADVERTISERS
640
INTERMEDIARY
600
SUBSCRIBER
760
CONTACT
B
RECEIVE HISTORY DATA
750
FOLLOWS LINK
762
DECODE UNIQUE IDENTIFIER
766
ANALYZE HISTORY AND CALCULATE SUBSIDY AND FEE
751
SUBSIDY REPORT
726
728
REPORT VERIFICATION
729
REQUEST ADDITIONAL ANALYSIS AND INFORMATION
730
PAY/COLLECT SUBSIDY
731
PAYMENT TO INTERMEDIARY

FIG. 7c

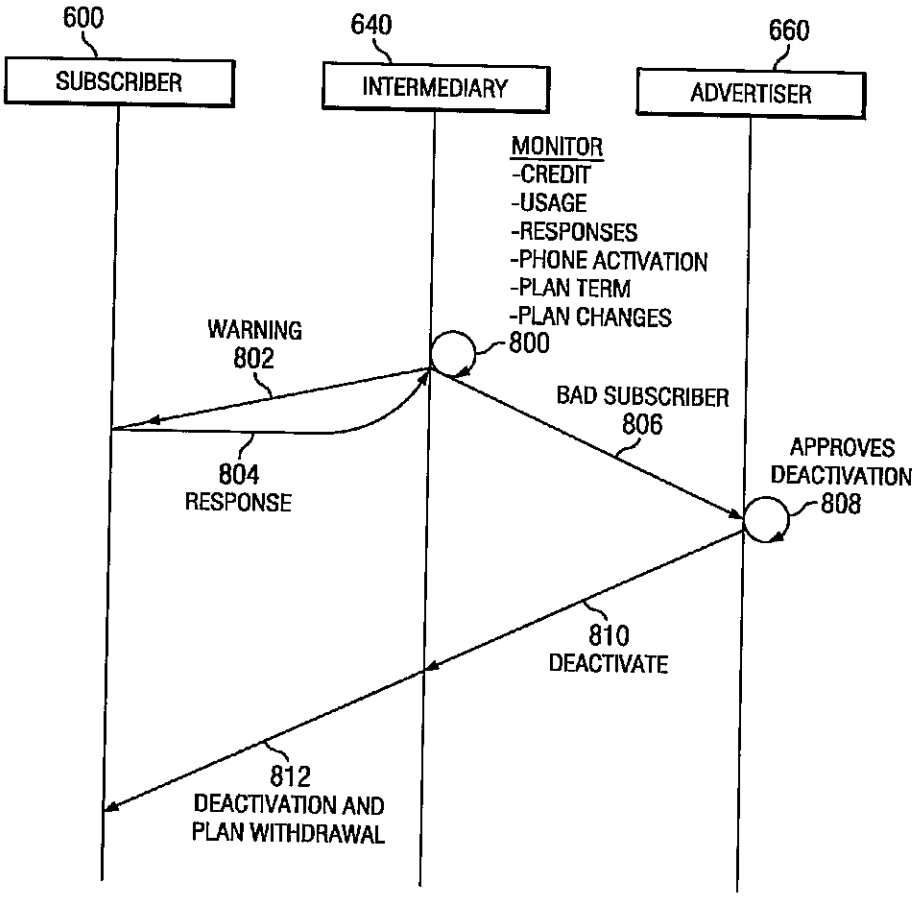
600
SUBSCRIBER
640
INTERMEDIARY
660
ADVERTISER
MONITOR
-CREDIT
-USAGE
-RESPONSES
-PHONE ACTIVATION
-PLAN TERM
-PLAN CHANGES
800
WARNING
802
804
RESPONSE
BAD SUBSCRIBER
806
APPROVES
DEACTIVATION
808
810
DEACTIVATE
812
DEACTIVATION AND
PLAN WITHDRAWAL

FIG. 8

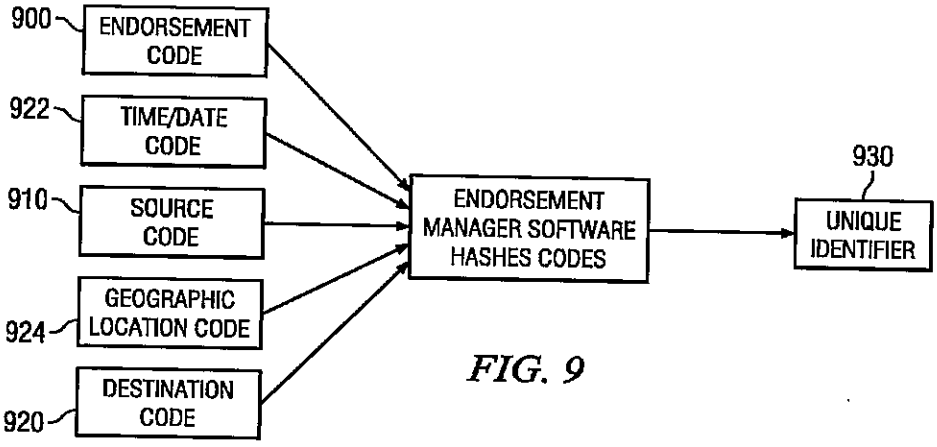
900
ENDORSEMENT CODE
922
TIME/DATE CODE
910
SOURCE CODE
924
GEOGRAPHIC LOCATION CODE
920
DESTINATION CODE
ENDORSEMENT MANAGER SOFTWARE HASHES CODES
930
UNIQUE IDENTIFIER

FIG. 9

SYSTEM AND METHOD FOR PEER-TO-PEER ADVERTISING BETWEEN MOBILE COMMUNICATION DEVICES

CROSS-REFERENCE TO RELATED APPLICATIONS

This application is a continuation application claiming priority from U.S. patent application Ser. No. 12/592,019 filed on Nov. 18, 2009 which is a continuation of U.S. Pat. No. 7,664,516 filed on Dec. 23, 2005 which claims priority to U.S. Provisional Patent Application No. 60/639,267 filed Dec. 27, 2004.

BACKGROUND OF THE INVENTION

As peer-to-peer and mobile technologies evolve into highly sophisticated two-way communication systems including mobile phones, instant messaging devices, and personal digital assistants (PDA), the adoption and usage of such technologies continue to increase at a rapid rate. Advertisers are highly motivated to identify new methods of creating brand awareness to users. One of these methods is known as advertising impressions. Leveraging mobile technologies as described above, advertising impressions provide brand and product awareness by directly displaying company advertisements, offering sale promotions, or facilitating the sale of products directly to users' devices.

In addition to advertisers, users may utilize these technologies to select specific advertisers who may reach them. For example, technologies like personal digital video recorders allow users to skip undesirable advertisements. In addition, technologies, such as a subscription of satellite radio, allow users to listen to music without the disruption of commercials.

With the declining ability to offer advertisements through traditional broadcast advertising medium, such as public radio and television, a need exists for a method that offers more frequent and effective direct advertising to peer-to-peer users.

BRIEF DESCRIPTION OF THE DRAWINGS

Aspects of the present disclosure are best understood from the following detailed description when read with the accompanying figures. It is emphasized that, in accordance with the standard practice in the industry, various features are not drawn to scale. In fact, the dimensions of the various features may be arbitrarily increased or reduced for clarity of discussion.

FIG. **1** is a diagram of exemplary components for providing advertising between peer-to-peer communication devices.

FIG. **2** a flowchart of an embodiment of an advertiser setup process.

FIG. **3** is a flowchart of an embodiment of a subscriber setup process.

FIG. **4** is a flowchart of an embodiment of a communication process.

FIG. **5** is a flowchart of an embodiment of a subscription maintenance process.

FIG. **6** is a diagram showing communication between the subscriber, intermediary, and the endorsement companies.

FIG. **7***a* describes the interactions between the subscriber, intermediary and advertiser nodes during the enrollment process.

FIG. **7***b* describes a communication and the recording of historical data.

FIG. **7***c* describes the payment of the subsidy to the subscriber.

FIG. **8** describes interactions between the subscriber, intermediary and advertiser nodes during the subscriber de-enrollment process.

FIG. **9** describes the creation of a unique identifier for each endorsement sent by the subscriber to a contact.

DETAILED DESCRIPTION

It is to be understood that the following disclosure provides many different embodiments, or examples, for implementing different features of the disclosure. Specific examples of components and arrangements are described below to simplify the present disclosure. These are, of course, merely examples and are not intended to be limiting. In addition, the present disclosure may repeat reference numerals and/or letters in the various examples. This repetition is for the purpose of simplicity and clarity and does not in itself dictate a relationship between the various embodiments and/or configurations discussed.

Aspects of the present disclosure provide effective transmissions of advertisements preceding and following transmissions of peer-to-peer communications, which occur directly between peer-to-peer communication devices. Examples of peer-to-peer communication devices include cellular phones, personal digital assistants (PDA), personal computers, instant messaging devices, and audio devices.

FIG. **1** is a diagram of exemplary components for providing direct advertising between peer-to-peer communication devices. A communication source, such as subscriber **1**, subscribes to a communication subsidy program **13** of an intermediary **9**. In an illustrative embodiment, the communication subsidy program **13** of the intermediary **9** is funded in whole or in part by advertisers **10**. Alternatively, the communication subsidy program **13** of the intermediary **9** may be funded by an independent entity, an Internet service provider, or a telecommunications service provider. The intermediary communication subsidy program **13** may be developed using an object-oriented programming language, such as Java™ or C++, C#, or other programming languages.

When a communication transmission (a cellular phone call, a video conferencing session, an instant message, text message (SMS, MMS or other), a personal computer communication, or a voice communication) is initiated by the subscriber **1** to a communication destination **8**, an advertisement preceding and/or following the communication is transmitted to a destination communications device **7** used by communication destination **8**. The subscriber **1** may utilize a source communication device **2**, such as a cellular phone, a personal computer, a personal digital assistant, or an instant messaging device, to initiate the communication. Source communication device **2** may be coupled to a network **6** and may communicate with destination communication device **7** via the network **6** using a communications protocol. Examples of network **6** may be the Internet, a private network, a cellular phone network, or other service provider networks. Examples of the communication protocol include Transmission Control Protocol/Internet Protocol (TCP/IP), Global System for Mobile Communications (GSM), Code Division Multiple Access (CDMA), and Wireless Application Protocol (WAP).

Operating systems running on communication devices **2** and **7** coordinate and provide control of various components. Each operating system may be a commercially available operating system such as Microsoft® Windows® Mobile (Microsoft and Windows are trademarks of Microsoft Corpo-

ration, Redmond, Wash.). An object-oriented software system, such as the Java™ software system may run in conjunction with the operating system and provide calls to the operating system from Java™ programs or applications executing on communication devices **2** and **7**. (Java is a product available from Sun Microsystems, Inc, of Santa Clara, Calif.) It is understood that the present disclosure may be used with other operating systems and applications written using other programming languages.

When the communication transmission is received by destination communication device **7**, the advertisement may be displayed, played, or confirmed. The source of the advertisement may be announced to the recipient as being endorsed by the advertisers **10**, an independent entity, an Internet service provider, a telecommunication service provider, or other types of communication providers. It is understood that FIG. **1** is intended as an example, and not as an architectural limitation for different embodiments of the present disclosure.

FIG. **2** is a flowchart of an embodiment of an advertiser setup process. Advertisers **10** may create and manage its own advertisement subsidy program or choose to participate in an intermediary's separately managed communication subsidy program **13**. In the event of the advertisers choosing an intermediary's communication subsidy program **13**, advertisers **10** are required to complete a setup process, receive approval of their profile by the intermediary from a technical and procedural context, and upload their desired ads to be used in the intermediary's communication subsidy program **13** before advertisements may be offered.

In step **20**, advertisers **10** connect to or browse the intermediary's website **11**. The intermediary's website **11** may reside in a server **12** managed by the intermediary **9**. In step **22**, advertisers **10** complete an advertiser profile on the intermediary's website **11** identifying the advertisers' criteria. In step **24**, advertisers **10** setup a subscriber profile on the intermediary's website **11** identifying necessary demographic criteria of a desirable subscriber **1**.

In step **26**, advertisers **10** set up a subsidy program. The subsidy program **13** enables advertisers **10** to select or endorse desirable subscribers in order to subsidize the communication fees, offer its own product discounts or other company's product discounts, generate and accumulate "rewards points" for the subscribers, and mitigate or defer other expenses of the subscriber **1**. The advertisers **10** may provide other types of subsidies or incentives to the subscribers **1** without departing the spirit and scope of the present disclosure. The selection of subscribers may be based on a matching of the subscribers' criteria against the advertisers' criteria.

In addition, the subsidy program **13** enables advertisers **10** to identify what level of discounts, credits, points, or offerings the subscriber **1** receives as a subsidy in accordance with certain performance criteria. An example of performance criteria includes the number of communication transmissions the subscriber had made and the length of the transmissions. Furthermore, the identification process may be accomplished through a bidding process, an automated auction, or may be standardized based upon other categorical groupings. An example of the bidding process includes a number of advertisers bidding for a group of premium subscribers, who communicate with other subscribers most frequently. An example of categorical groupings includes allowing the subscriber to be endorsed by a different advertiser for each communication event based on a target subsidy or a target destination.

In step **28**, advertisers **10** upload their advertisements, which may be in a form of text, audio, video, static graphic, or other advertising media, to the intermediary's website **11** to be later associated with one or more subscriber's communications. Advertisers **10** also have the ability to identify when and how to apply each advertisement media type based upon a set of rules or logic defined by either the advertisers **10** themselves or the intermediary **9**.

In step **30**, the intermediary **9** confirms with advertisers **10** that the subsidy advertisements are ready for use and that the subsidy program setup is complete. Advertisers **10** may then elect, through a secure login process, to endorse themselves in order to test their advertisements and adjust the advertisements as necessary. Otherwise, in step **32**, advertisers **10** may activate one or more advertisements for selection by the subscriber **1**. Thus, the process is complete.

FIG. **3** is a flowchart of an embodiment of a subscriber setup process. To become a subscriber of the intermediary's communication subsidy program **13**, in step **34**, a source communication device **2** owner or subscriber **1** must first connect to the intermediary website **11**. In step **36**, the subscriber **1** set up a subscriber profile and qualifies for the subsidy program.

Alternatively, the subscriber **1** may be automatically enrolled in the subsidy program **13** as a result of a relationship with a service provider, such as a cell phone company contract, an existing service provided by an Internet service provider or by other communication service providers, or endorsers such as a product retailer who distributes branded communications devices that are limited to endorsing only their brand through approved subscribers. The subscriber profile includes information regarding the subscriber **1**, for example, a name, an address, a device type, a serial number of the device, a phone number of the device, an IP Address of the device, basic demographic information of the subscriber **1**, and a carrier calling program. Other characteristics of the service provider's program, such as available minutes and the subscriber's usage history may also be collected.

Once the subscriber's profile is set up, in step **38**, the intermediary **9** analyzes the profile data and identifies advertisers **10** whose criteria for subsidy match the subscriber's criteria. For example, advertiser A offers static graphic media and video media and advertiser B offers only audio media. Based on the media type offered, the intermediary **9** qualifies those subscribers whose communication devices have the capability to accept static graphics, video, and/or audio. The intermediary **9** may also require the subscriber **1** to qualify for subsidy over a trial period of time in order to quantify and qualify the calling habits of subscriber **1**. For example, the intermediary **9** may examine the usage history of subscribers and qualify only those subscribers who are communicating with others most frequently.

In step **40**, a determination is then made by the intermediary **9** as to whether the subscriber qualifies for an advertiser's program. In step **42**, if the subscriber **1** does not qualify, the subscriber **1** is notified that the subsidy setup process may not continue, and the process terminates. Alternatively, the subscriber **1** may be redirected to another subsidy program or given information on how to qualify in the future.

In step **44**, if the subscriber **1** qualifies, the intermediary **9** presents all acceptable advertisers **10** and subsidy programs available, including the criteria for continued subsidy and levels of subsidy, to the subscriber **1**. In step **46**, the subscriber **1** or the intermediary **9** may select one or more advertisers **10** and/or subsidy programs containing multiple advertisers or advertisements for endorsement. The subsidy program **13** may include other random or targeted advertisement that the subscriber fails to select.

In step **47**, a determination is made by the intermediary **9** as to whether the subscriber **1** has the capability to accept the advertisements for endorsement. In step **49**, if the subscriber has the capability to accept the advertisements, the advertisements are downloaded to the subscriber **1**. In step **48**, if the subscriber **1** does not have the capability to accept the advertisements, an intermediary's endorsement manger software **14** is downloaded to the subscriber's source communication device **2** followed by the advertiser's ads. The endorsement manager software **14** manages advertisements, formats communication transmissions with the advertisements, and records advertising impression history of the advertisement transmissions periodically. In step **50**, once the endorsement manger software **14** and advertiser's advertisements are downloaded, the endorsement manger software **14** communicates securely with the intermediary's host system and activates itself for use.

FIG. **4** is a flowchart of an embodiment of a communication process. The communication process begins, in step **52**, when a communication transmission is initiated by a subscriber **1**. A communication transmission may include a cellular phone call, an instant message, a page, or a video conferencing session, and may be initiated using any source communication device **2**. In step **54**, the endorsement manger software **14** formats the transmission by inserting the appropriate advertiser's advertisement preceding and/or following the transmission. During the communication session, the endorsement manager software **14** records the impression status based on whether the advertisement was displayed, played, or confirmed on the destination communication device **7**.

In step **58**, once the transmission is formatted, the endorsement manager software **14** sends the communication transmission to the communication destination **8**. In step **64**, when the communication transmission reaches the destination communication device **7**, the advertisement is displayed, played, or confirmed in the destination communication device **7**. In step **66**, at the end of the communication session, the recipient may click on the advertisement to link, via the Internet, to the advertiser's or another designated website for additional information or further action. The link may direct the recipient to other offers, such as coupons, special offers that are unique to subscriber, or other related parties of the service. In addition to directing the recipient to other offers, advertisers **10** may transmit their own messages to the recipient any time during or after the communication process.

Optionally, in step **60**, when the communication transmission is initially received by the destination communication device **7**, a determination is made by a recipient of the destination communication device **7** as to whether to accept or deny the transmission. In step **62**, if a transmission is denied, the transmission is selectively ignored, and is stored in a voice mail or similar system for later retrieval. In step **64**, if the transmission is accepted or is retrieved from voice mail or other storage system, the advertisement is displayed, played, or confirmed in the destination communication device **7**. The advertisement may be played, displayed or confirmed followed by, at the same time, or throughout the communication session. In step **66**, at the end of the communication session, the recipient may click on the advertisement to link, via the Internet, to the advertiser's or another designated website for additional information. The process then terminates.

FIG. **5** is a flowchart of an embodiment of a subscription maintenance process. Subscription maintenance includes collecting regular advertising impression data from the endorsement management software of the subscribers, periodic processing of the impression data against subsidy plans to facilitate distribution of subsidy amounts, changes to the subscriber's profiles, or program eligibility.

The process begins, in step **67**, when a communication transmission is initiated by the subscriber **1**. In step **68**, the endorsement manager software **14** collects historical data from the subscriber, including successes and failures of advertising impression events. Examples of advertising impression events include the number of advertising impressions, the number of advertising media types that have reached and been accepted by the destination communication, the number of advertising impressions for a certain party, and the like. In step **70**, the endorsement manager software **14** transmits this historical data to the intermediary's data warehouse for further processing. In step **72**, the endorsement manager software automatically validates and updates current versions of advertiser's advertisements, and the endorsement manager software **14** updates itself, if necessary. The intermediary **9** may also periodically update the advertisements as the endorsement manager software **14** is busy communicating with the intermediary's data warehouse to "check in".

In step **74**, upon receipt of the historical data, the intermediary website **11** processes the received historical data and compares the data against the subsidy programs for which they have qualified in step **40** in order to generate the subsidy amount for distribution. The subsidy amount may be in a form of discounts or other incentives. In step **76**, if the intermediary **9** detects that the subsidy amount of a program is likely to change, the intermediary **9** sends a message to the subscriber **1** informing the subscriber **1** of a possible change or a need to update the subscriber profile. In step **78**, the intermediary **9** generates reports to advertisers, service providers, and subscribers for review via the intermediary's website **11**. Based on these reports, advertisers and subscribers may readjust their profile.

The system and method described above enables advertisers **10** to reach targeted audiences via mobile communications devices. The recipient of a communication transmission accepts the communication session initiated by a source communication device **2**, because the session is identified as being initiated by a trusted or known entity. Upon acceptance, the advertising media is played or displayed to the recipient. The subscribers are given incentives to participate in this program, such as subsidies to their communication fees and/or other compelling incentives.

Other scenarios include communication sessions in which the subscriber **1** is a recipient of the communication session initiated by a non-subscriber. In this case, the endorsement manager software **14** in the destination communication device **7** may insert the advertising media into the communication session prior to enabling the communication between the subscriber **1** and the non-subscriber. The advertising media is played or displayed to the subscriber **1**, who is credited to receive incentives based on this communication session.

FIG. **6** is a diagram showing communication between the subscriber, intermediary, and the endorsement companies (advertisers). The set of subscribers **600**, **610** and **620** possess source devices **602**, **612** and **622**. Subscribers **600**, **610** and **620** communicate in a similar manner and will be described using subscriber **600** as an example.

Subscriber **600** creates application **604**. Application **604** consists of a request for endorsement and subsidy **608**, as well as subscriber specific data **606**. Subscriber specific data **606** is demographic data that relates to the subscriber's education,

employment, purchasing habits, interests, hobbies, affiliations or other data used to determine a target market for a product.

An endorsement company selected by the subscriber may provide an endorsement or endorsement tag (i.e. "advertiser recommends subscriber"). Alternatively, the subscriber may offer to endorse the company (i.e. "subscriber recommends advertiser"). The endorsement may include an embedded company logo, color or link to an advertisement of a particular product. The product or advertisement that the link points to is controlled by the advertiser and may be redirected by the intermediary. In the preferred embodiment, the intermediary serves as the hosting site for product or advertising data. In other embodiments, the intermediary and the hosting site may be located at different machines

Subscriber **600** communicates with intermediary **640** through source device **602**, network **650** and the intermediary's server **642**. Subscriber **600** communicates with any of the set of endorsement companies **660** through source device **602**, network **650** and set of endorsement companies' servers **662**.

Intermediary **640** communicates with network **650** through intermediary's server **642**. Additionally, list of endorsement companies **644**, set of subscriber applications **647** and software application for subscriber's devices **648** reside on intermediary's server **642**.

List of endorsement companies **644** includes endorsement and subsidy opportunities **645** corresponding to specific endorsement companies. The list of endorsement companies **645** includes the nature of a company's products and an estimate of the amount of subsidy that may be provided or the cost to the subscriber for the company's endorsement. Endorsement and subsidy opportunities **645** include a set of desired demographic data **646**. Desired demographics **646** relate to a target market that a company is trying to reach with its ad campaign and products.

Set of subscriber applications **647** are applications **604, 614, 624** that have been submitted to the intermediary via network **650** or otherwise entered into the intermediary's server **642**.

Endorsement manager software **648** is downloaded to source device **602, 612, 622** via network **650**. As described earlier, endorsement manager software **648** allows subscribers **600, 610, 612** to accept and pass endorsements and advertisements.

Set of endorsement companies **660** communicates with network **650** through set of endorsement companies' servers **662**. Set of endorsement companies' servers **662** contains set of advertisements **664**. Set of endorsement and subsidy opportunities **666** are related to individual advertisements from the set of advertisements **664**. The endorsement and subsidy opportunities **666** contain a set of desired audience demographic data **668** which relate to a target market selected by a company.

FIG. **7***a* describes the bi-directional endorsement process between the subscriber and the advertiser via the intermediary during the enrollment process. Subscriber **600**, intermediary **640** and set of endorsement companies (advertisers) **660** represent "nodes" or "tiers" in a computer network. Each node or tier may represent a communication device and the appropriate computer server and computer network connections to allow communication and passing data between subscriber **600**, intermediary **640** and company **660**. The nodes may also represent groups of machines in a network confirmation. The nodes do not reflect (nor require) a specific carrier or service provider for the source device.

At step **700**, subscriber **600** contacts intermediary **640** through network **650** using source devices **602** and makes a subscription request including a request for endorsement. At this step, subscriber **600** selects one or more potential endorsers from list of endorsement companies **644**. Subscriber **600** submits application **604**, including the selected endorsement companies and subscriber demographic data, to intermediary **640**. At step **701**, an advertiser contacts intermediary **640**. Advertiser **660** submits one or more sets of desired demographic criteria to intermediary **640**.

At step **702**, intermediary **640** correlates the subscriber data with the set of demographic data criteria of the advertiser. A correlation value is assigned by intermediary **640**.

In the preferred embodiment, the correlation value is calculated as a match value or weighted percentage between the demographic criteria **646** and the subscriber demographic data.

Other correlation routines can be used to provide additional metrics to the subscriber and the advertiser related to the "match" of the subscriber demographic data with the advertiser criteria. For example, a multipoint questionnaire is provided to the subscriber including various categories during the subscription process. Questions include multiple choice questions. Answers to the multiple choice questions and each of the categories are assigned a weight. The combined weight is provided to the advertiser and to the subscriber as a correlation value.

In another embodiment, credit reports of the subscriber from third parties may be implemented to calculate a correlation value. Additionally, financial information related to the subscriber, such as credit history or financial status may be evaluated to arrive at a correlation value. At step **706**, potential subscribers who score lower than the required correlation value are recommended for rejection.

Alternatively at step **702**, advertiser **660** receives a set of subscriber data from intermediary **640**. Advertiser **660** then correlates subscriber specific data **606** with desired audience demographic data **668** to derive a correlation value.

At step **704**, a list of potential subscribers that meet a desired correlation value or that offer a sufficient payment by the subscriber for endorsement are forwarded to the appropriate advertiser **660**.

Intermediary **640** notifies subscriber **600** of a rejection at step **707**. If the subscriber is rejected, the rejection is recorded by the intermediary and the process stops.

At step **708**, the advertiser decides whether to endorse a particular subscriber, based on the results of the correlation. The advertiser calculates the amount to subsidize or charge the subscriber for the endorsement. For example, subscriber **600** that achieves a high correlation value may receive a larger subsidy than the subscriber who achieves a low correlation value.

Provisions can be provided to allow the subscriber to purchase an endorsement from the advertiser. For example, a sliding scale may be applied to calculate a price for the subscriber to pay based on a correlation value. A floor function can also be applied below which no endorsement will be provided by the advertiser of the subscriber.

If a sufficient correlation value is achieved or the subscriber purchases an endorsement, the subscriber is deemed a "qualified" subscriber. At step **710**, the advertiser notifies intermediary **640** of the endorsement and subsidy opportunities for which the subscriber has been qualified. Intermediary **640** then notifies subscriber **600**, at step **712**.

At step **714**, subscriber **600** must examine the endorsement and subsidy opportunities. At step **716**, subscriber **600**

chooses at least one plan and advertiser for endorsement and notifies intermediary **640**. At this point, bi-lateral endorsement is complete.

At step **718**, intermediary **640** interrogates source device **602** regarding its ability to perform the requirements of the endorsement plan. For example, source device **602** may not be capable of sending an endorsement with an embedded link or may not be capable of handling large graphics files.

At step **720**, depending on device capabilities, intermediary **640** sends the compressed endorsement manager software and the endorsement selected by subscriber **600** to source device **602** held by subscriber **600**. In the preferred embodiment, the endorsement manager is software that manages the endorsement and history related to the endorsement. The endorsement manager software is sent, along with a set of links to various advertisements, endorsement tags and graphics files. The endorsement manager software is then decompressed and installed on the source device.

At step **722**, the advertiser is notified of endorsement and subsidy opportunities selected by subscriber **600**. The selected opportunities are implemented by the advertiser in step **724**.

The bi-directional selection process allows the subscriber to select endorsers that appeal to him. The advertiser then determines if the subscriber is qualified based on a correlation between the subscriber's demographics and those desired by the advertiser. The subscriber's contacts presumably share some, if not all, of the subscriber's demographics and interests. Therefore, the contacts provide a select market and value to the advertiser, while requiring only a single demographic comparison. This allows an advertiser to focus its endorsements on favorable target markets without having to qualify each possible customer or examine demographics of a large number of potentially bad prospects.

FIG. *7b* describes a communication and the recording of historical data. Subscriber **600** initiates a communication with contact **760** in step **790**. At steps **792** and **794**, the endorsement manager software inserts and sends an endorsement and embedded link in the communication. The destination device accepts the communication and embedded link and sends a response to the source device in steps **796** and **798**. The source device records the historical data in step **797**.

FIG. *7c* describes the data flow required for subsidy collection. At step **750**, the intermediary receives history data from the subscriber **600** reflecting a communication with contact **760**, such as a phone can where an imbedded link has been sent in an endorsement message. At step **762**, contact **760** follows the link embedded in the endorsement to the advertisement data hosted by intermediary **640**. Intermediary **640** monitors historical data including the number of endorsements sent by subscriber **600** and the number of recipients contacted by subscriber **600** that use the embedded link to view the advertisement from the set of advertisements **664**. Individual contacts are identified by a unique identifier embedded in each endorsement sent by subscriber **600** to contact **760**. At step **766**, the unique identifier is decoded by the intermediary site **640**, allowing identification of the contact **760** responding to the endorsement. At step **751**, the intermediary calculates the subsidy and analyzes the subscriber history data and contact interaction history.

The endorsement and the embedded link may be altered in response to various stimuli. For example, a random function may be provided in the software to change the endorsement and/or embedded link resulting in random changes. In another example, the endorsement and/or embedded link may be changed to reflect a different product of the company at different times of day. Additionally, when the embedded link is activated additional information may be sent from the destination device, such that the geographical location of the destination device is known. Intermediary site **640** may redirect the embedded link to a new advertisement based on geographical, time, data or previous responses by the destination device. Intermediary site **640** determines the geographical location of the device by determining which cellular tower is carrying the response from the destination device or by information supplied by the destination device, such as GPS coordinates. The endorsement and embedded link can also be configured to respond to specialized applications or "apps" resident on the source device to reflect changing conditions dictated by the app. For example, an application maybe capable of reflecting ringtone changes and/or music preference changes. In these applications listening habits and cell phone configurations for various lighting displays can supply information to trigger predetermined variations in the endorsement or embedded link.

For example, if the embedded link were to a national restaurant chain, intermediary site **640** may redirect it to an advertisement for the nearest restaurant. Intermediary site **640** may contain the hours of operation of the restaurants and direct the link to an advertisement for the nearest open restaurant. If no restaurants are open within a predetermined range, intermediary site **640** may select an alternative advertisement. Intermediary site **640** may also store data regarding previous interaction from the destination device and redirect the link accordingly. For example, a savings offer may be limited to one per device, such that intermediary site **640** redirects the destination device to a different link if an offer has been previously accepted. Alternately, a source device may receive additional benefits, such as coupons, for frequently following the link embedded within an endorsement.

Referring briefly to FIG. **9**, in an alternate embodiment, historical data regarding interaction of contact **760** with the embedded link may be stored on the source device as previously described. Alternatively, the endorsement sent to the contact from the source device contains a hash of three separate codes. Endorsement code **900** identifies the endorsement sent to the contact. Source code **910** identifies the source device that sent the endorsement. Contact code **920** identifies the contact that received the message. The endorsement manager software residing on the source device creates a unique identifier **930** for each endorsement sent and includes the unique identifier **930** in the link embedded in the endorsement. The unique identifier **930** is created by combining several separate codes together in any one of many encryption routines (known in the art as "hashing") to form a code that is unique for each endorsement sent by a subscriber. Source code **910** and contact code **920** may be created based on device serial number, phone number or other numbers unique to the device. Other codes, including the date code **922** and geographic location **924** of the source device may be combined as well to create unique identifier **930**. Endorsement code **900** is included in the endorsement when it is downloaded by the subscriber.

In other embodiments, the identity of the contacts, the duration of the message and communication, the scheduling of advertisements to view and the length of time that the contacts browser is focused on the advertisement are recorded. Additional information collected can include links navigated to, before and after, viewing the advertisement can be recorded. In certain cases, identification of contacts recognized by the recipient can be logged. Purchase and payment information may be collected. Identification of music files, licenses and picture files may be collected. Call log information may be collected. Data reflecting prior approval

as a qualified subscriber, and use of the system by the recipient may also be collected. Data reflecting network information such as packet count and packet size may be collected. Data reflecting location information via a GPS transponder may be collected. The analysis may include grouping data with other similar data from other subscribers to develop buying trends, demographic profiles and purchase information. Analysis of customer location and dwell times at various websites and "brick and mortar" stores may be analyzed. A fee may be calculated and assessed by the intermediary at step **751**.

Continuing with FIG. *7c*, at step **726**, a report, showing the analysis and subsidy due, is sent to the advertiser by intermediary **640**. At step **728**, the advertiser may verify the calculations of the intermediary submitted in the report or modify the subsidy recommended. At step **729**, advertiser **660** may request additional information and analysis from the intermediary. In-turn, the intermediary supplies additional reports via step **726**. At step **730**, the calculated subsidy is implemented. This may be a payment to a subscriber **600**, or transmission of a bill owed by subscriber **600** for use of the endorsement to the subscriber. Of course, other means of implementing a subsidy, such as electronic funds transfer or generation of prepaid credit cards or vouchers may also be employed. Payment to the intermediary is made by the advertiser at step **731**.

Referring again to FIG. *7a*, in an alternate embodiment, subscriber **600** includes a first minimum amount he is willing to accept for the endorsement of a particular advertiser in with the request for endorsement at step **700**. A second (larger) minimum amount is relayed to the company at step **704**. If the company agrees to the second minimum amount in step **710**, subscriber **600** is immediately enrolled in the selected endorsement and subsidy opportunities **645**. This embodiment bypasses steps **712** and **716**. The minimum first amount subscriber **600** is willing to accept is (typically) not provided to the advertiser by intermediary **640**. The difference between the first minimum amount and the second minimum amount is retained by intermediary **640** as payment for its services.

Returning to FIG. **6**, in an additional alternative embodiment, a subscriber representative **630** may assume a proxy arrangement for subscribers **600**, **610** and **620**. In a proxy arrangement subscriber representative **630** acts on behalf of a group of subscribers that share similar demographic features. A proxy arrangement can be organized to reduce the cost of using the system by individual subscribers by pooling and offering endorsements through all the subscribers source devices **602**, **612**, **622** that are included in the proxy. In this instance, an endorsement may be changed to also include an endorsement by the subscriber representative

In another embodiment, an advertiser offers additional subsidies or bids against another advertiser for preferred treatment. This preferred treatment includes more frequent insertion of one advertiser's endorsements over any others, particular days or time of day for endorsements, particular geographic locations, and endorsements sent to particular contacts of the subscriber. For example, an advertiser may endorse subscribers who are fans of a particular sport immediately before, during or after a particular game. Also, an advertiser may endorse a subscriber who calls a contact that has responded to a message in the past. A contact who has responded in the past may be identified by a phone number, an IP address or similar information that is transferred when the contact responds to the endorsement.

FIG. **8** describes the de-enrollment process. At step **800**, intermediary **640** monitors various aspects of subscriber **600** and source device **602**. Among other things, intermediary **640** may monitor credit history, source device usage, device activation, responses from contacts and expiration of or changes to the current endorsement plan. At step **802**, intermediary **640** warns subscriber **600** of a status change that could result in a change to the endorsement plan. Subscriber **600** responds to the warning at step **804**. At step **806**, the intermediary notifies advertiser **660** that subscriber **600** may no longer qualify for the current endorsement plan.

At step **808**, advertiser **660** determines if subscriber **600** is still a qualified subscriber. Alternatively, advertiser **660** may decide to allow subscriber **600** time to cure any deficiencies in qualified subscriber status while allowing subscriber **600** to remain on the endorsement plan.

At step **810**, advertiser **660** sends a deactivation notice to intermediary **640**. At step **812**, intermediary **640** then deactivates subscriber **600** and removes source device **602** from the endorsement plan.

An embodiment of the present disclosure can take the form of an entirely hardware embodiment, an entirely software embodiment, or an embodiment containing both hardware and software elements. For example, one of the previously described embodiments may be implemented in software, which includes but is not limited to firmware, resident software, microcode, etc. In addition, various steps of the above processes may be performed in another order, split into additional steps, or combined into a single step. Steps may also be removed and or added to any of the above processes.

Furthermore, the present disclosure can take the form of a computer program product accessible from a tangible computer-usable or computer-readable medium providing program code for use by or in connection with a computer or any instruction execution system. For the purposes of this description, a tangible computer-usable or computer-readable medium can be any apparatus that can contain, store, communicate, propagate, or transport the program for use by or in connection with the instruction execution system, apparatus, or device. The medium can be an electronic, magnetic, optical, electromagnetic, infrared, or semiconductor system (or apparatus or device), or a propagation medium. Examples of a computer-readable medium include a semiconductor or solid state memory, magnetic tape, a removable computer diskette, a random access memory (RAM), a read-only memory (ROM), a rigid magnetic disk and an optical disk. Current examples of optical disks include compact disk-read only memory (CD-ROM), compact disk-read/write (CD-R/W) and digital video disc (DVD).

Although embodiments of the present disclosure have been described in detail, those skilled in the art should understand that they may make various changes, substitutions and alterations herein without departing from the spirit and scope of the present disclosure. Accordingly, all such changes, substitutions and alterations are intended to be included within the scope of the present disclosure as defined in the following claims. In the claims, means-plus-function clauses are intended to cover the structures described herein as performing the recited function and not only structural equivalents, but also equivalent structures.

The invention claimed is:

1. A method for providing access to an advertisement from an advertiser to a source communication device possessed by a subscriber and distributing the access to the advertisement from the source communication device to a destination communication device possessed by a recipient, wherein the destination communication device is compatible with the source communication device, and the recipient having a relationship to the subscriber, the method being executed by a processor, and comprising the steps of:

comparing a desired demographic profile to a subscriber demographic profile to derive a match;

establishing a bi-lateral endorsement between the subscriber and the advertiser;

providing a subsidy program to the subscriber based on the match;

sending a token related to the advertisement to the source communication device;

sending, to the source communication device, information that can be used to initiate a communication session between the source communication device and the destination communication device and to transmit a message, including the token, from the source communication device to the destination communication device contemporaneously with the communication session; and,

recognizing a subsidy, according to the subsidy program, for the subscriber after a termination of the communication session.

2. The method of claim 1, wherein the step of sending information further comprises the step of transmitting the token from the source communication device to the destination communication device.

3. The method of claim 1, wherein the step of comparing the desired demographic profile further comprises the step of creating the demographic profile according to a set of advertiser criteria.

4. The method of claim 1, wherein the step of providing a subsidy program further comprises the step of relating the subsidy to one of the group of a product discount, a reward, and a mitigation of expenses.

5. The method of claim 1, wherein the step of recognizing a subsidy includes the further step of basing the subsidy on an acknowledgement by the destination communication device of the receipt of the token.

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