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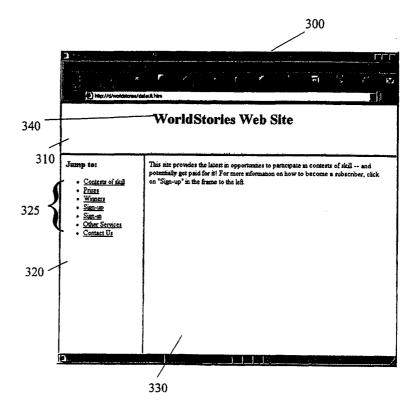
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(54) Title: METHOD AND SYSTEM FOR PROVIDING CONTESTS OF SKILL GROUPED WITH MULTI-LEVEL MARKETING

(57) Abstract

The method and system for providing contests of skill grouped with multi-level marketing (325). Utilizing a wide area network (e.g., the Internet), a series of contests of skill are administered and subscribers are tracked. The management of the contests and the tracking are provided by a computer system including a database.



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Method and System for Providing Contests of Skill Grouped with Multi-level Marketing

CROSS-REFERENCE TO CO-PENDING APPLICATIONS

The present application is related to and claims priority to co-pending U.S. Provisional application serial number 60/105,373, filed October 23, 1998. The contents of that provisional application are incorporated herein by reference.

BACKGROUND OF THE INVENTION

Field of the Invention

The present invention is directed to a multi-level marketing method and system in conjunction with services provided on a wide area network, such as the Internet. The services include, but are not limited to, contests of skill such as contests for best story, best picture/photograph, and best audio or video clip.

Discussion of the Background

The Internet is a rapidly growing mechanism for providing information services to people at remote locations. To a lesser degree, intranets are starting to provide information services also. Although many information services provide information to an end-user, few information services receive information from users, i.e., few users provide content to an information service.

U.S. Patent number 5,537,314, issued to <u>Kanter</u>, describes a "credit accumulation and accessing system for a plurality of sponsoring companies and participants." The contents of that patent are incorporated herein by reference. That patent does not disclose the use of contests of skill in conjunction with multi-level marketing techniques.

SUMMARY OF THE INVENTION

It is an object of the present invention to provide a multi-level marketing method in conjunction with services provided on a wide area network.

It is another object of the present invention to provide a multi-level marketing method in conjunction with contests of skill (contests requiring skill to win) on a wide area network.

It is another object of the present invention to provide a multi-level marketing method in conjunction with contests of skill on the Internet.

BRIEF DESCRIPTION OF THE DRAWINGS

A more complete appreciation of the invention and many of the attendant advantages thereof will become readily apparent with reference to the following detailed description, particularly when considered in conjunction with the accompanying drawings, in which:

Figure 1 is a schematic illustration of a computer for providing the services of the present invention;

Figure 2 is a schematic illustration of a remote client participating in the services provided by the present invention;

Figure 3 is an initial WWW interface (with frames) for greeting a user to the system of the present invention;

Figure 4 is a WWW interface for enabling a user to sign-in (or identify himself/herself) according to the present invention;

Figure 5A is a WWW interface for enabling a sponsor to sign-up a new user;

Figure 5B is a WWW interface for enabling a new user to sign-up by identifying a sponsor and providing other requested information;

Figure 6 is a WWW interface for selecting one of the contests of skill provided according to the present invention;

Figure 7A is a WWW interface showing exemplary literary works categories which act as sub-categories of contests of skill according to the present invention;

Figure 7B is a WWW interface showing exemplary "How To" descriptions which act as sub-categories of the sub-category of a literary work contest of skill according to the present invention;

Figure 7C is a WWW interface showing exemplary types of scripts which act as sub-categories of the sub-category of a literary work contest of skill according to the present invention;

Figure 8 is a WWW interface showing exemplary categories for photo entries in a contest

of skill according to the present invention;

Figure 9A is a WWW interface showing exemplary categories for drawing/painting entries in a contest of skill according to the present invention;

Figure 9B is a WWW interface showing exemplary categories for musical entries in a contest of skill according to the present invention;

Figure 10 is a WWW interface showing exemplary sports categories in a contest of skill according to the present invention;

Figure 11 is a WWW interface showing exemplary categories for food entries in a contest of skill according to the present invention;

Figure 12 is a WWW interface showing exemplary categories of new designs in a contest of skill according to the present invention;

Figure 13 is a WWW interface showing exemplary prediction categories in a contest of skill according to the present invention;

Figure 14 is a WWW interface showing exemplary trivia categories in a contest of skill according to the present invention;

Figure 15A is a WWW interface showing a description of how prizes are awarded to subscribers when matching sponsor prizes are not used;

Figure 15B is a WWW interface showing a description of how prizes are awarded in a single-level marketing configuration;

Figure 15C is a WWW interface showing a description of how prizes are awarded to subscribers and how matching prizes are awarded to multiple levels of sponsors;

Figure 16A is a WWW interface showing exemplary prizes awarded in a prize configuration corresponding to Figure 15A;

Figure 16B is a WWW interface showing exemplary prizes awarded in a prize configuration corresponding to Figure 15B;

Figure 16C is a WWW interface showing exemplary prizes awarded in a prize configuration corresponding to Figure 15C;

Figure 17 is a WWW interface showing exemplary services that can be requested by subscribers;

Figures 18A-18C are WWW interfaces showing how many people are sponsored by an individual using various levels of detail;

Figure 19 is a WWW interface showing how a subscriber can request cancellation of his/her membership;

Figure 20 is a WWW interface showing how a subscriber can pre-pay for membership in the system of the present invention;

Figure 21 is a WWW interface showing how a subscriber can suggest a new category;

Figure 22 is an exemplary WWW interface showing how a subscriber (or non-subscriber) can contact the administrator of the system of the present invention;

Figure 23 is a screenshot of a database storing subscription information according to the present invention;

Figure 24 is a WWW interface showing how a system administrator can monitor which subscribers are sponsored by which sponsor; and

Figure 25 is a WWW interface showing how a system administrator can look at specific information about a subscriber selected from the WWW interface of Figure 24.

DESCRIPTION OF THE PREFERRED EMBODIMENTS

Referring now to the drawings, in which like reference numerals designate identical or corresponding parts throughout the several views, Figure 1 is a schematic illustration of a computer system for providing a multi-level marketing method in conjunction with a service (e.g., a contest of skill) on a wide area network (e.g., the Internet). A computer 100 implements the method of the present invention, wherein the computer housing 102 houses a motherboard 104 which contains a CPU 106, memory 108 (e.g., DRAM, ROM, EPROM, EEPROM, SRAM, SDRAM, and Flash RAM), and other optional special purpose logic devices (e.g., ASICs) or configurable logic devices (e.g., GAL and reprogrammable FPGA). The computer 100 also includes plural input devices, (e.g., a keyboard 122 and mouse 124), and a display card 110 for controlling monitor 120. In addition, the computer system 100 further includes a floppy disk drive 114; other removable media devices (e.g., compact disc 119, tape, and removable magneto-optical media (not shown)); and a hard disk 112, or other fixed, high density media drives,

connected using an appropriate device bus (e.g., a SCSI bus, an Enhanced IDE bus, or a Ultra DMA bus). Also connected to the same device bus or another device bus, the computer 100 may additionally include a compact disc reader 118, a compact disc reader/writer unit (not shown) or a compact disc jukebox (not shown). Although compact disc 119 is shown in a CD caddy, the compact disc 119 can be inserted directly into CD-ROM drives which do not require caddies. In addition, a printer (not shown) also provides printed listings of the effects of the multi-level marketing technique (including number of visits, prizes, contestants, entries, etc.).

As stated above, the system includes at least one computer readable medium. Examples of computer readable media are compact discs 119, hard disks 112, floppy disks, tape, magneto-optical disks, PROMs (EPROM, EEPROM, Flash EPROM), DRAM, SRAM, SDRAM, etc. Stored on any one or on a combination of computer readable media, the present invention includes software for controlling both the hardware of the computer 100 and for enabling the computer 100 to interact with a human user. Such software may include, but is not limited to, device drivers, operating systems and user applications, such as development tools. Such computer readable media further includes the computer program product of the present invention for providing a multi-level marketing method in conjunction with contests of skill on the Internet. The computer code devices of the present invention can be any interpreted or executable code mechanism, including but not limited to scripts (including Active Server pages), interpreters, dynamic link libraries, Java classes, and complete executable programs. These computer code devices may run on either one of, or on a combination of, a client and a server computer.

Figure 2 shows a typical server client information exchange in which a client World Wide Web (hereinafter simply "Web") browser sends a request to a Web server over a wide area network (e.g., the Internet) and receives a reply from the Web server. Although the depicted embodiment of the present invention utilizes Web client and sever, other information services are possible without departing from the spirit of the invention. Other services include gopher, FTP, active channels, push technology, and Active X controls (including Active X controls that use data sources to perform client-side data manipulation).

Information on providing Web services is provided in the following references which are

incorporated herein by reference: (1) Visual Studio Core Reference Set, by Microsoft Press, (2) Visual InterDev 6.0: Web Technologies Reference, by Microsoft Press, (3) Professional Active Server Pages 2.0 by Francis et al., published by WROX Press Ltd., (4) Oracle PL/SQL Programming by Scott Urman, Published: March 1996, (5) Hitchhikers Guide to Visual Basic and SQL Server: with CD-ROM, by William Vaughn, Published: May 1997, (6) Using Microsoft SQL Server 6.5 (Special Edition) by Stephen Wynkoop, Published: March 1997, and (7) Advanced PowerBuilder 6 Techniques by Ramesh Chandak. Additional information regarding the invention is disclosed below. In one embodiment, the tracking functions are performed using a database. In an alternate embodiment, the tracking is performed using standard files.

The operation of the present invention is first described generally, and then a more detailed description is provided in which specific figures are referenced. In brief, a subscriber pays a fixed periodic (monthly, quarterly, or yearly) fee to join the service. A subscriber is then permitted to refer other subscribers, who in turn may refer subscribers themselves, and so on. Depending on the type of marketing method (i.e., single-level or multi-level) used, a subscriber may be paid a referral fee (commission) on direct referrals and indirect referrals down a limited number of levels. That is, in a single-level marketing method, commissions are only paid for direct referrals. For multi-level marketing methods, referrals are paid for direct referrals and at least one indirect level. The commission rate may vary by level. Commissions are not paid in zero-level marketing methods.

Subscribers have the right (but not the obligation) to participate in a specific activity and prizes (cash or otherwise) are given to selected subscribers, if, based on the judgment of the judges, their participation was deemed to be "superior." Such prizes are generally financed out of the subscription fees (net of referral commissions). Prizes also may be provided by (1) corporate sponsors in exchange for advertizing or other promotional activities or (2) any other revenue source. In one embodiment, subscribers submit short stories in a variety of categories. Prizes are awarded for 'best' submission (e.g., story) as determined by the judges (as described in greater detail below).

The Internet site allows for the subscriber management process, including commission and prize tracking and disbursement, and supports the particular subscriber activity. In the story

submission example, the Web site accepts submissions of stories on-line, tracks stories through an in-house review process, and displays winning and interesting stories of the entire subscriber base. In order to accommodate the growth of the site, requests directed to the main computer may be off-loaded to one or more other computers or processors. By partitioning the data into distinct sections (e.g., by separating the subscription information from the prize information and from the submissions (and further by sub-specializing the submissions into categories and subcategories)), a cluster of individual computers can be used to simulate a larger computer. In fact, the hyperlink redirection functionality of HTML allows the off-loading process to be virtually transparent to the subscriber. Thus, the present invention can grow incrementally along with an substantially equivalent growth in subscribers or content.

As is described in more detail below, with respect to submitting stories (but which is pertinent to all types of submissions described below), the computer system supporting the present invention has one or more of the following capabilities:

• Submission Handling System

- Weekly notification of the site of next week's specialty category
- On-line submission of stories (averaging 100 to 500 words) by category
- Ability to restrict size of stories submitted by story category, parametrically
- Ability to restrict total stories submitted by category to a certain number each week
- Ability to restrict each subscriber to a certain number of stories submitted each month
- Submission of suggested specialty story categories by subscribers
- Handle manual input of stories to database and mailing list for newsletter for non-Internet subscribers

Subscriber Recruiting Management

• Section on site which gives recruiting information for new subscribers (e.g., commission schedule, testimonials, and why the service is fun,

- potentially lucrative)
- Report which matches new subscribers signed up to receipt of subscriber contract (either an on-line contract or a written contract)
- On-line display of contract, ability to print out for manual completion and on-line click-through/recordation of agreement with contract.
- Suspension of commissions attributable to new subscriber until the written contract is received and system is flagged.
- On-line commissions statement due to each subscriber (password protected)

• Subscriber Management

- Different subscriber categories, including: Internet, Premium (non-Internet), Family. Family allows more than one person to submit stories.
- Handle annual or multi-year subscriptions with discount schedule
- Handle state restrictions (Certain states not eligible for prizes due to legal restrictions)
- Automated periodic credit card billing for subscribers
- Handling of commission calculations and payment via EFT if possible
- Subscriber prize management
- Year-end 1099 reporting

Reviewer Management

- Segregation of submitted stories to each reviewer (names redacted)
- Easy to use scan capability for reviewers on Internet site
- On-line grading and selection of best stories by category
- Reviewer contractor payment tracking and production
- Year end 1099 reporting

Administrative Management (Company controlled parameters)

Commission Schedule Management, ability to control by:

- Time-dated overall change
- Vary by width of subscribers first level, total network size, etc.

• Editorial Board Management

- Automatic Consolidation of reviewers selections for final review
- Roll-forward of stories from week to week if certain parameters are met, such as ungraded (more than maximum number are submitted previous week), above a certain grade, etc.
- Selection of winning stories facilitates 'automatic' posting of these stories to the appropriate spot on Internet site

• <u>Subscriber Chat</u>

- Story related
- Marketing techniques (for selling down the chain)

• <u>Content Management</u>

- Weekly display of winning stories and other interesting stories by category
- Pre-set space for weekly editorial board comments about stories
- Ability to search historic library of letters (only certain letters will be archived - probably based on evaluator's grade) by category, grade etc.

Given that alternate embodiments relate to submissions other than stories, one of ordinary skill in the art will understand from this disclosure that minor modifications may be necessary to handle other types of submissions than stories. As a general overview, in one embodiment of the present invention, the commission structure works as follows:

- 1. Ben Franklin subscribes to the service.
- 2. Ben Franklin refers John Adams. He subscribes to the service. For so long as both Ben and John remain subscribers, Ben will receive X% of John's subscription fee.
 - 3. If John refers Thomas Jefferson and he subscribes, then:
 - a. Ben will receive X% of John's fee and Y% of Thomas' fee, and

b. John will receive X% of Thomas' fee and Y% of anyone's fee whom Thomas refers, and so on down the line, up to a certain number of levels of referrals down the line. Each subscriber is generally eligible for commissions on direct referrals and for a certain number of levels of indirect referrals.

The commissions will be earned by the referring subscriber each month that the referred subscriber pays his subscription, generally as long as the referring subscriber remains a subscriber (i.e., pays his own subscription). This requirement should reduce the likelihood and number of "drop-outs". In addition, a matching prize for best stories may be paid "up-the-chain" to those subscribers who were directly and indirectly responsible for referring the prize-winning subscriber, but matching prizes are not required. Moreover, the number of levels of matching prizes need not match the number of levels of commissions paid. For example, when four levels of commissions are paid, it is possible that (a) only two levels or (b) more than four levels of matching prizes are awarded.

A payment structure where a percentage of any subscription fee paid is shared by those involved in the referral and where a percentage of any winnings is also shared by those who referred the winning author should provide substantial incentives to subscribers both to market and encourage continued participation in the Web site. Such a structure has the potential to provide a continuing and growing income source for subscribers, if they market the service to many people who can be encouraged to participate in it actively and continually.

Illustrative Multi-Level Commission Structure. Assume, for example, that the administrative system adopts a commission structure whereby a subscriber is to receive a 20% commission for each new subscriber that he or she directly refers, and a 5% commission for each new subscriber that joins the subscription service indirectly (e.g., via a subscriber that the original subscriber had referred), but only through the fourth step of the referral chain from the original subscriber. Under such an assumed commission structure, the maximum commissions payable on any one subscription would be as follows:

Total Commission Payable

Direct Sign-up by the Company	0%
Referral Level 1	20%
Referral Level 2	25%
Referral Level 3	30%
Referral Level 4	35%
Referral Level 5	40%

Illustrative Aggregate Effective Commission Rates. Although the maximum payable commission rate under the above scenario is 40%, the aggregate effective commission rate payable to the entire subscriber base should be less than the maximum rate. This is possible since (i) some subscribers will continue to sign up directly (which will thereby avoid the payment of a commission) and (ii) many subscribers will not be at a level of the network which makes them eligible for the maximum amount of commissions payable. Under the assumed hypothetical scenarios presented below, the following effective commission rates are possible:

Assumed Number of Subscribers

Estimated Effective <u>Commission Rate</u>	Total Subscribers	Referral Level 5	Referral <u>Level 4</u>	Referral Level 3	Referral Level 2	Referral Level 1	Directly Signed
28.6%	10,000	500	800	3,000	3,500	2,000	200
30.8%	25,000	2,700	8,000	8,000	4,500	1,500	300
32.2%	50,000	14,150	12,450	11,000	8,000	4,000	400
34.1%	100,000	39,500	25,000	20,000	10,000	5,000	500
34.8%	250,000	105,000	70,000	50,000	16,000	8,000	1,000

Illustrative Commissions Payable to Individual Subscribers. The following illustrative table demonstrates the commissions potentially payable to an individual subscriber under the commission structure assumed above. The table below also illustrates only a few of any number of potential scenarios.

Assumed Referrals- Level 1	Assumed Referrals- Level 2	Assumed Referrals- Level 3	Assumed Referrals- Level 4	Assumed Referrals- Level 5	Assumed Referrals- <u>Total</u>	Estimated Total Monthly Commission
10	20	40	60	100	230	\$ 103.87
100	200	400	800	1,000	3,100	\$ 1,358.30
50	250	1,250	6,250	31,250	39,050	\$15,660.40

Selected, targeted advertising on the Internet and in traditional media is used to reach certain market segments such as college students, new mothers and senior citizens. These groups are relatively heavy users of the Internet, are generally in need of part-time income sources, represent relatively homogenous interest groups, and can be targeted through media relatively cost-effectively.

The present invention also includes various sales incentives, in addition to the standard commission schedule, to motivate subscribers to attain certain referrals targets. For example, a bonus is paid to the first subscriber who attains a certain number of subscribers in his entire network (directly or indirectly) or to any subscriber who refers more than a certain number of subscribers directly in a particular month. Such sales incentives may motivate subscribers, particularly high-referral subscribers, to intensify their efforts and increase their results.

Affinity groups also will be targeted. Story categories are offered that appeal directly to a particular affinity group (for example, a hunting or rifle association for whom hunting could be a story category) or offer substantial commissions to the affinity group for each subscriber it refers. Alternatively, members of affinity groups are determined and encouraged to become subscribers.

The present invention also may be utilized with "co-marketing" joint ventures or other agreements with other consumer marketing organizations. Thus, another organization's marketing capabilities are utilized to market the service through a revenue sharing agreement.

Two potential approaches to international expansion are contemplated. First, is to enable international English language participation through an existing Web facility. The English language stories are commingled or reviewed and awarded prizes separately by country to permit a localized story review and editorial board reflection or cultural and linguistic differences. Another phase of international expansion is to offer the service in different languages requiring

local story review and editorial boards. Joint ventures with local organizations facilitate international expansion, especially with respect to the administration and support of the multi-level marketing system.

The service will be built around an Internet site and supporting computer system capable of managing both the site's subscribers and story reviewers. This structure should enable the administrator to manage its subscribers, their stories and the reviewers seamlessly and cost-effectively.

The capabilities of the Web site also will be scaleable. This enables the site to grow as necessary to accommodate a growing subscriber base and the concomitant increase in the volume of story submissions.

Stories, sorted by category, will be submitted electronically by Internet subscribers. Both the number and length of submissions will be subject to varying parameters as necessary. Subscribers will be notified of specialty categories, winners and prizes electronically and may submit suggestions as well.

The site is capable of collecting subscriber information (name, address, credit card number, etc.), processing the story submissions, controlling the review process, and tracking the marketing aspects of the business. Subscribers should be able to manage the type of plan (both individual or family and discounted long-term or regular term/price) to which they subscribe, track their referral network and commissions due, access contracts and review suggested marketing strategy materials.

According to the invention, information regarding subscriber network growth, contract receipts, subscription cancellations, commission payments, tax reporting, and legal compliance, among other tasks are automated through the Web site. The reviewer network and recruiting efforts should also be managed through the Web site. Thus, an interactive site allows for the exchange of information, both story and network related, between the site's administration and its subscribers.

Turning now to a more concrete set of examples, when a Web browser requests the main page of the Web site for the present invention, a Web server sends the Web browser (hereinafter simply referred to as "a browser") a response in the form of a web page. The actual display of

the web page is based on the capabilities of the browser. In a preferred embodiment, the response to the request for the main page includes a web page capable of being displayed by browsers with and without frame capabilities. If frames are not used, then the response takes the form of a single HTML document (potentially with embedded graphics which are requested after the browser has parsed the response). If frames are used (as they are in the examples hereinafter), the browser requests the frames individually (potentially along with embedded graphics which are requested after the browser has parsed the individual frames). An exemplary World Wide Web (WWW) interface 300 for interacting with the system of the present invention is shown in Figure 3. The interface 300 includes three main frames: (1) the title frame 310, (2) the table of contents (TOC) frame 320, and (3) the main frame 330, each of which are stored in their own file and sent to the browser. The title frame 310 includes a title 340, but in an alternate embodiment, the title 340 is replaced by or augmented with a graphic logo (either animated or static).

The TOC frame 320 includes a list of areas 325 that can be visited by subscribers -- some of which may also be visited by non-subscribers. The list 325 includes items identifying seven main categories that can be visited, including: (1) Contests of skill 350, (2) Prizes 360, (3) Winners 370, (4) Sign-up 380, (5) Sign-in 390, (6) Other Services 400, and (7) Contact Us 410. The contents of the title frame 310 and the TOC frame 320 generally remain constant throughout the Web site to provide a consistent "look and feel" to the Web site. However, in an alternate embodiment, the contents of the title frame 310 and the TOC frame 320 change. In yet a further alternate embodiment, one or more additional frames are used for displaying additional information or advertisements. As is discussed in more detail below, the list 325 includes an indication that when an item is selected from the list 325, a frame other than the TOC frame 320 is to be updated.

In contrast to the title frame 310 and the TOC frame 320 which are relatively constant, the contents of the main frame 330 change as a subscriber (or non-subscriber) navigates the Web site. As shown in Figure 3, when the main page is requested, the main frame 330 includes a short greeting welcoming the subscriber (or non-subscriber) to the site.

Since different services are available to subscribers and non-subscribers, the present

invention authenticates browsers to determine what areas the browser is allowed to access. By selecting the "Sign-in" item 390 from the list 325, a browser is sent a new page to use as the contents of the main frame 330. In the illustrated operation of Figure 4, the Web server requests that the subscriber authenticate itself by supplying a user name and password when submitting the form. In one embodiment the Web server sends back a token (specific to a day or time) for the browser to use explicitly in each request so that the Web server knows that the request is coming from an authenticated subscriber. The next time that the subscriber wishes to use the Web site, though, the subscriber must again sign-in.

In another embodiment, the Web server uses "cookies" to identify the browser of a subscriber. The Web server maintains a list of mappings from cookies to subscribers. Since cookies are automatically sent back to Web sites by browsers, after the first time a subscriber signs-in to the site from a browser, the subscriber need not explicitly sign-in again. The web server will remember that the browser is for an authenticated subscriber. (If the subscriber wants the added security of having to sign-in each time (e.g., to avoid children using the site without permission), then the user's configuration can be configured to not remember the cookie to subscriber mapping for more than a fixed period of time.)

If the browser is not associated with an active subscriber, the browser is either blocked from the subscriber areas or is given a chance to subscribe. As shown in Figure 5A, one way to become a subscriber is to have a sponsor actually "sponsor" the potential subscriber. By using his/her sign-in name and password (potentially with the password being confirmed), the sponsor informs the system of the identifying information for the new subscriber. Although only name, birth date and sex are shown as the information given, additional information is provided in alternate embodiments. Moreover, due to the confidentiality of the information, this information in the form, as well as any other sensitive information, is provided using an encryption technique such as the secure socket layer (SSL).

To avoid having to wait for a sponsor to get around to signing up a new subscriber, a subscriber may sign-up directly using an interface such as is shown in Figure 5B. The new subscriber's information is filled into the form, and the name of the sponsor is selected from a drop-down box 420 (or other selection control). The drop-down box 420 contains the names of

sponsors as well as a unique identifier for each entry so that the system (and potential subscribers) can distinguish from two people with the same name. One method of providing the unique identification is to store a unique identifier in the "Value" field of the selection control. The form is then submitted for verification.

Having signed-in or signed-up, the subscriber is able to access the main part of the Web site -- the contests of skill areas. As shown in Figure 6, the contests of skill are broken down into categories to avoid the subscriber having to scroll excessively through an extensive list of contests. The first group of contests is "Literary (written) submissions" with its own subcategories, as shown in Figure 7A. Figure 7B shows a list of a contests available from the "How To" category of Figure 7A. Likewise, Figure 7C shows a list of a contests available from the "scripts" category of Figure 7A. Traversal of the sub-categories eventually leads to the where a subscriber can enter his/her own submission or review submissions of other subscribers.

The contests of skill, however, are not limited to written submissions. As shown in Figure 6, photos, movies, drawings, and music can all be submitted also. As shown in Figure 8, photo submissions also can be sub-categorized into types of photos. The interface of Figure 8 allows photos of sculptures and political people to be submitted. Similarly, as shown in Figures 9A and 9B, (a) drawing and/or painting submissions and (b) musical submissions also each can be further sub-categorized. The interface of Figure 9A allows drawings, cartoons, sketches, paintings, and other artistic renderings to be submitted. The interface of Figure 9B allows song lyrics, jingles, melodies, and new songs to be submitted.

The present invention is also not limited to artistic contests of skill. As shown in Figures 10 and 11, respectively, contests related to sports and food are also supported by the present invention. Similarly, the present invention is directed to the receipt and evaluation of new designs of any type. An exemplary interface for the submission of new designs is shown in Figure 12.

Although the above discussion has focused primarily on contests of skill with subjective evaluation criteria that requires subjective (human) evaluation, the present invention also is directed to objectively measurable contests. As shown in Figure 13, predictions of future events can be received and evaluated. Similarly, the system of the present invention can perform

grading of tests, (e.g., trivia/ quiz show-style tests as shown in Figure 13, or other objective academic tests). Periodically, the system may use "Celebrity Reviewers" to make the final selection of "Best of" a certain category and lead chat sessions regarding the category and subscribers' experience relating to the subject. The normal judging may be through independent contractors. College students, graduate students, teachers and retirees are effective reviewers. The review process will be automated. Outside reviewers will be automatically assigned a selection of submissions to grade according to a preset scale, which reviewers will access via a protected area of the Web site. In an alternate embodiment, an artificial intelligence program is used as an "outside reviewer" to perform some or all of the initial review. The outside reviewers will flag the top submissions in each category. An internal review board will select the final winners.

In one embodiment of the invention, the administrator of the Web site is assigned all right and title to subscriber submissions. Ownership of the content base will facilitate certain business extensions, such as the publication of various anthologies of stories in book format (e.g., "The Strangest Stories of the Year," "The Most Incredible Stories of the Year" or "The Most Touching Stories of the Year").

Besides receiving commissions based on the number of subscribers sponsored, the present invention also may provide financial motivation by awarding matching prizes. Depending on the number of levels of matching prizes used by the system (or by a particular contest in an embodiment that allows differing matching prizes per contest), prizes are awarded to sponsors up-the-chain. As shown in Figure 15A, in a zero-level matching prize method there are, in effect, no sponsors for the purpose of determining prizes. If a subscriber wins a prize, the subscriber's sponsor neither shares the prize of the subscriber nor receives his/her own prize. The system simply administers prizes based on the merit of the submission. However, for a single-level matching prize method, prizes are received by both (1) the subscriber who won a contest of skill and (2) the sponsor of the winning subscriber. The use of sponsors can be further extended (potentially) indefinitely through the use of multi-level matching prizes. As shown in Figure 15C, when a subscriber wins a prize, so does the subscriber's sponsor, and his/her sponsor's sponsor, etc.

As a concrete example of the various methods of allocating prizes, Figures 16A-16C correspond to the matching prize methods of Figures 15A-15C, respectively. In Figure 16A, since a zero-level matching prize method is used, only the winners themselves (i.e., George Washington and Woody Bernstein) receive prizes. The prizes need not be equivalent for all contests, and the prize amount is preferably based on the number of subscriber entries in each category. As seen by the hyperlinks "How to Cut down a Cherry tree" and "Audio clip," the winning entries can be seen or listened to by selecting the corresponding hyperlink.

By contrast, Figure 16B shows the prizes allocated under a single-level matching prize method. In this embodiment, not only does the winning subscriber receive a prize in each category, so do the sponsors of the winning subscribers. Thus, George Washington and his sponsor (Thomas Jefferson) receive prizes of \$50 and \$10, respectively, since George has the winning literary submission in the subcategory of How To, on the specific subject of "How to Cut down a Cherry Tree." (Although both prizes for sponsors are shown as 20 percent of the winning subscriber's prize, this amount is variable, based on the contest type, number of contestants, and the number of levels of sponsors of the winner.)

As shown in Figure 16C, the prizes corresponding to Figure 15C for multi-level matching prize methods, depend on the number of levels of sponsors. As will be discussed in more detail below, there is only one sponsorship level for Woody Bernstein since his sponsor (i.e., Richard Nixon) is a root or base sponsor. On the contrary, George Washington has three levels of sponsors above him -- i.e., George was sponsored by Thomas who was sponsored by John who was sponsored by Ben. Ben, like Richard, is a root or base sponsor. Each of George's sponsors receives a prize when George wins a contest.

In order to administer the system of the present invention, a subscriber may select the "Other services" item 400 from the list 325. Having selected that item, the browser updates the main frame 330 with a list of services available to the subscriber (based on his/her authentication and/or the level of service that he/she has paid for), such as is shown in Figure 17. One of the most important features that a subscriber will utilize (besides sponsoring new subscribers) is examining what subscribers he/she has already sponsored. Using the first item of the services list of Figure 17, a subscriber may select to "Show me the money." By selecting this option, the

subscriber is shown the tree of subscribers for which he/she is a sponsor. For example, in Figures 18A-18C, Ben Franklin has authenticated himself through the sign-in process or through the use of a cookie associated with his browser and wishes to check on his sponsorship tree. Having selected "Show me the money," his sponsorship tree is shown as in Figure 18A. However, since Ben receives a commission for each person sponsored (who actually pays for their subscription) hopefully Ben has sponsored many people, each having sponsored others. Since Ben may wish to see only a portion of the tree, the tree is implemented as a collapsible tree using Dynamic HTML (DHTML). Figure 18A shows all the people that Ben has sponsored. Figure 18B shows that George and Martha can be hidden by selecting the blackened dot to the left of Thomas' name. Likewise, Figure 18C shows that Thomas and James may also be hidden by selecting the empty dot to the left of John Adams' name.

Additional services may be selected from the services menu of Figure 17. For example, by selecting the "Cancel subscription" item, the subscriber receives an update to the WWW interface such that an interface similar to Figure 19 appears. By providing the subscriber's name and password and submitting the form using the "Terminate subscription" button, a subscriber can cancel his/her membership automatically.

Also available from the services menu of Figure 17 is the ability to request that a subscription be pre-paid. By selecting pre-payment, an interface such as the one shown in Figure 20 is received from the Web server. The pre-payment information is filled out, and the prepayment form is submitted using the "Submit form" button. An e-commerce extension to the Web server provides submission and verification of the credit card information. Since the billing address is known by the system, the "shipping" information may be omitted if it matches the information on file. Other payment systems also are possible, such as electronic payments from systems such as Cybercash.

Also available from the interface of Figure 17 is the ability to leave messages for other subscribers. Messages are sent by a subscriber to another subscriber's sign-in id. Messages, however, are not dynamically interactive and are more focused on enabling subscribers to communicate when they are not simultaneously logged on to the site.

Greater interaction is available by selecting the option to "chat" with other users. The

type of chat depends on the software and hardware capabilities of the subscribers. It is possible to chat with text only, with text and/or audio, and with text, audio, and video combined. Subscribers may interact through video conferencing software such as CU-See Me.

In each of the categories and sub-categories for the contests of skill, it is possible to suggest a category that a subscriber would like to see but which is not available. As shown at the bottom of Figure 6, a hyperlink is provided which allows a subscriber to make a suggestion. By utilizing the hyperlink, the browser receives a new interface such as is shown in Figure 21. By sending the user's name and password (or through the use of cookies), a user may suggest a category and submit the category to the system for consideration.

Sometimes a simple suggestion is not sufficient to meet the needs of a subscriber or potential subscriber. To enable the administrator to be contacted, the left frame 320 includes item 410 which is a hyperlink to the information shown on Figure 22. The contact information includes one or more of the following information for the administrator: (1) phone number, (2) e-mail, and (3) video conference address. Other types of contact information (e.g., facsimile, IRC and other "chat" channels) may also be provided.

The majority of the Web site is based around the subscribers to the system and their submissions. Since the list of subscribers is constantly varying, and since the system is receiving submissions, information about subscribers and submissions is stored in a database that can be queried. As shown in Figure 23, one exemplary table of the database supporting the present invention includes information about the subscribers. The table includes the names (first and last) of each subscriber. The table also includes dates indicating when the subscriber subscribed and the date through which the subscriber has paid. For correspondence purposes, the table stores, for each subscriber, references to one or more addresses stored in an external address table. The corresponding entry in the address table is stored in the fields corresponding to the subscriber's home, work, and billing addresses. As seen in Martha and George Washington's records, George and Martha share a home address, and Martha does not have a separate work address. By contrast, John Hancock has a different home address than his billing address.

Each subscriber is assigned a unique id to track the user's bill and sponsorship activities. When combined with the "Sponsor" field, an acyclic graph of all the members can be created.

By starting with all records that have a zero ("0") in the "Sponsor" field, the unique ids (UIDs) of all the root or base sponsors can be determined. Then, for each root sponsor, all of their subscriber's can be determined by looking for subscriber's whose "Sponsor" field has the same UID. For example, Ben Franklin is a root sponsor since his "sponsor" field is zero. Using his UID (i.e., UID=4), the database can be queried to determine which subscribers have a "Sponsor" field equal to 4. Three subscribers — John Adams, John Hancock, and Patrick Henry — all meet this criterion. Thus, all three were sponsored by Ben. The process can be repeated for any other sponsor. The same process also works for non-root sponsors. Starting with the UID of any subscriber, the subscribers that he/she has sponsored can be found by querying the database for records with a "Sponsor" field equal to the subscriber's UID. This process is repeated recursively to traverse the entire hierarchy of people sponsored by a subscriber.

The database may be extended in order to provide additional functionality for the system. For example, by including the subscribers' social security numbers, the system automatically can generate the appropriate tax forms when a subscriber wins a prize. The IRS or other state treasury departments can be informed directly of the value of the prizes and commissions.

The database also can be used to store the contents of the submissions. Text and/or binary submissions can both be stored in a database and recalled for viewing or grading. All database queries can be performed through either CGI scripts or Active server pages. In either implementation method, the data sorting and analysis is performed at the server side, thereby reducing the amount of network traffic generated by the data queries. Also, using this server-side scripting technique, data security is enhanced by not allowing the client-side component (i.e., the browser) to receive data that it must be trusted not to display.

Although the majority of the discussion above has been in the context of what a subscriber sees, the present invention also incorporates the ability to administer the system of the present invention. As discussed above, the system can produce a tree of all root subscribers and the people that they have sponsored (through recursion or breadth-first searching). Using the data shown in Figure 23, the system of the present invention constructs a tree of subscribers. The system administrator can select any subscriber to get more information. For example, by selecting the hyperlink for Jay Negin, the Web server of the present invention performs a series

of database queries to produce the results page of Figure 25. The results match the data stored in the table row corresponding to UID 999 and the address row corresponding to address 1.

The administration of the system also includes the ability to perform demographic reports based on any parameter stored in the database. For example, among other things, reports on subscriptions can be generated according to a subscriber's (a) number of subscriptions, (b) state, (c) zip code, and (d) size of referral network.

Although the above description has been made with reference to all transactions being performed through a Web site, it is also possible to request and send submissions via alternate means, e.g., fax, mail, and direct modem connections.

Additional contests of skill according to the present invention include: exposition of a problem (personal or otherwise), analytic or advisory exposition or solution whether for general problem or tailored to a specific individual helpful hints on various subjects (such as timesaving tips, money-saving tips), critical reviews (whether humorous or serious) of various media, entertainment, services, or products (such as reviews of restaurants, hotels, movies, TV shows, airline service, or a new car model). Additionally included, but not shown in the figures, are: Chess, and other traditional, two or multi-player 'board' games, puzzles and other games of skill played by a single subscriber, and multi-player, on-line, video or other computerized simulation games (either real-time or otherwise). Additionally included are submissions of local news stories, web-pages, web site designs, computer graphics and user-created greeting cards and advertisements.

CLAIMS:

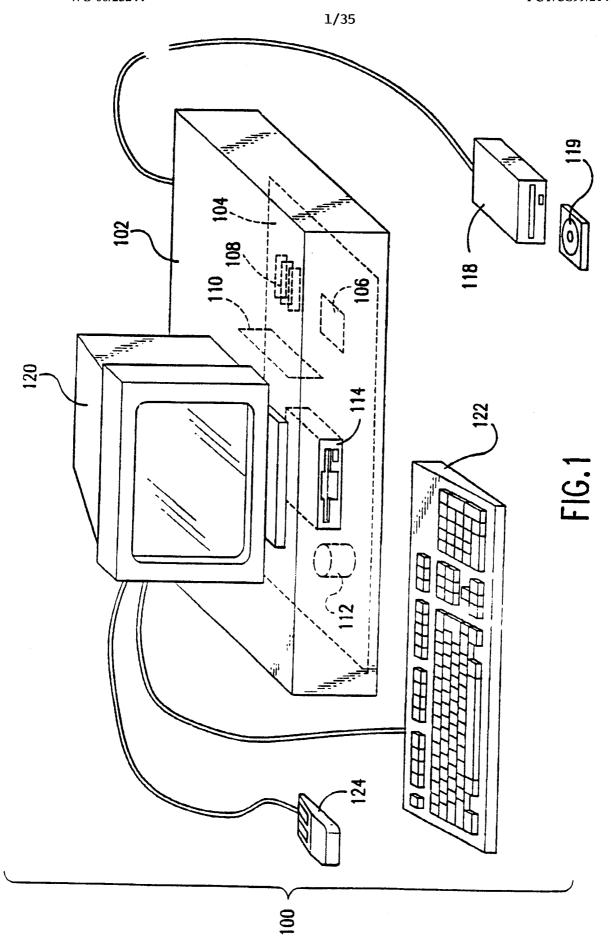
1. A computer program product comprising:

a computer storage medium and a computer program code mechanism embedded in the computer storage medium for causing a computer to implement a control circuit, the computer program code mechanism comprising:

a first computer code device configured to receive submission across a wide area network; and

a second computer code device to provide multi-level marketing relating to the submissions received by the first computer code device.

- 2. The computer program product as claimed in claim 1, wherein the second computer code device further comprises a third computer code device configured to track subscribers.
- 3. The computer program product as claimed in claim 1, wherein the second computer code device further comprises a third computer code device configured to track one of commissions and commission rates.
- 4. The computer program product as claimed in claim 1, wherein the second computer code device further comprises a third computer code device configured to track awarding of prizes to subscribers.
- 5. The computer program product as claimed in claim 1, wherein the second computer code device further comprises a third computer code device configured to track awarding of prizes to sponsors of subscribers.



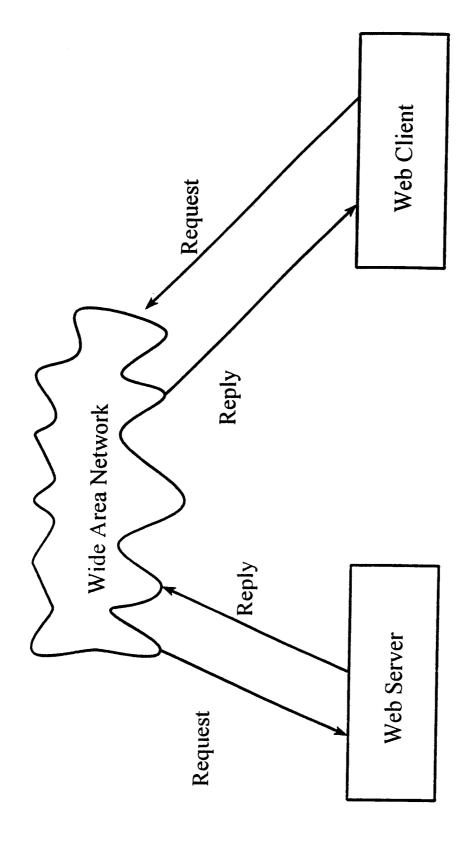


Figure 2

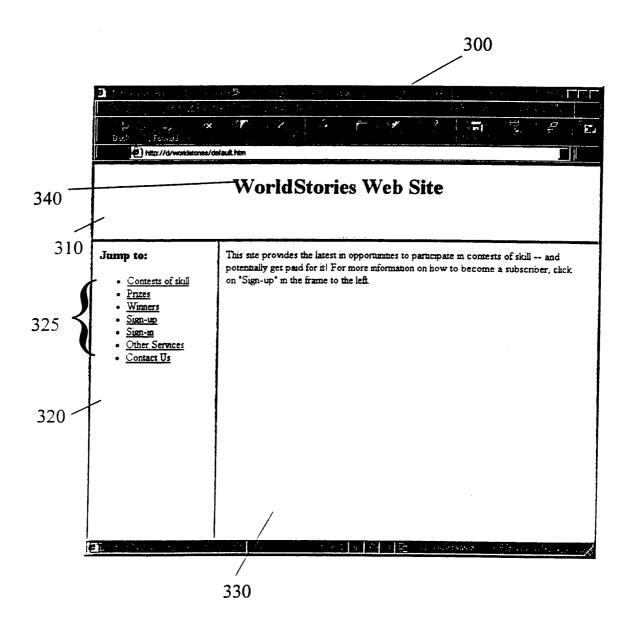


Fig. 3

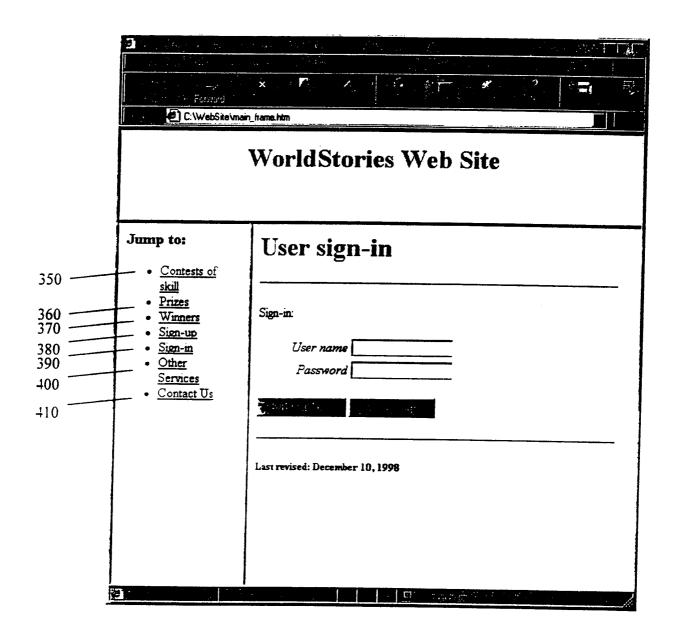


Fig. 4

WorldStories Web Site				
Jump to: Contests of skill Prizes Winners Sign-up Sign-in Other Services Contact Us	Component			
₽ ¥Vi	User name Password Confirm password			

Fig. 5A

420

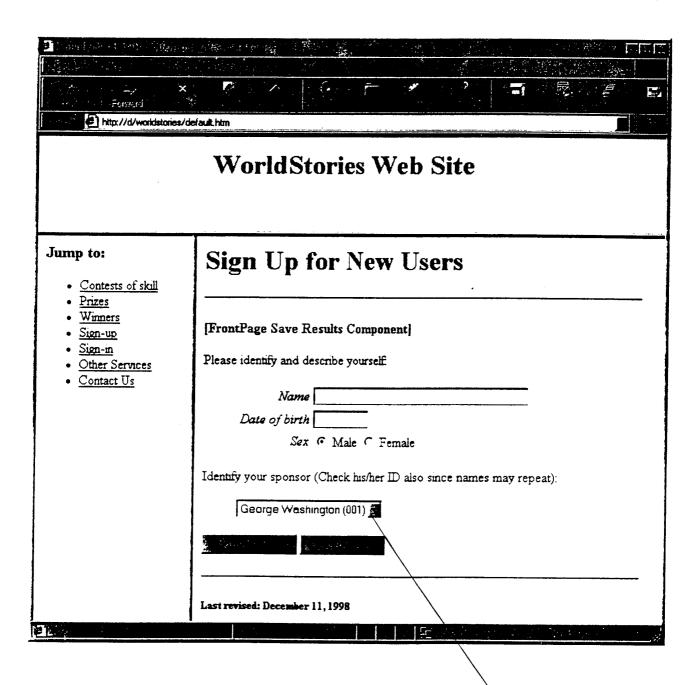


Fig. 5B

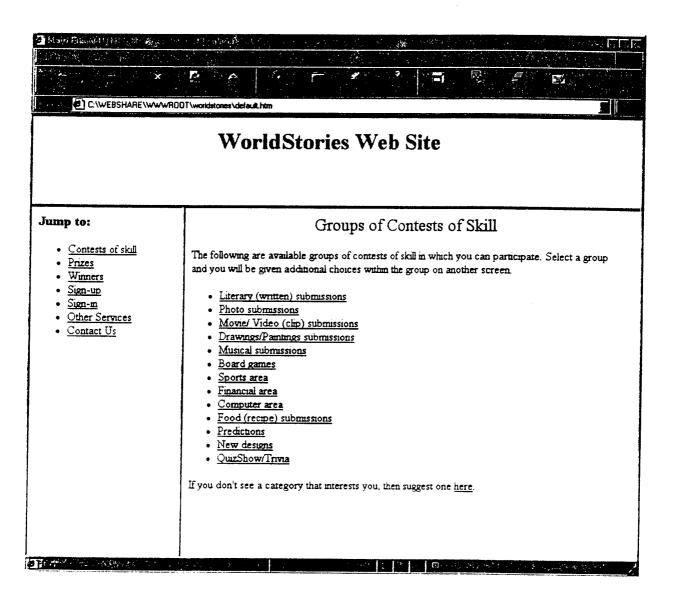


Fig. 6

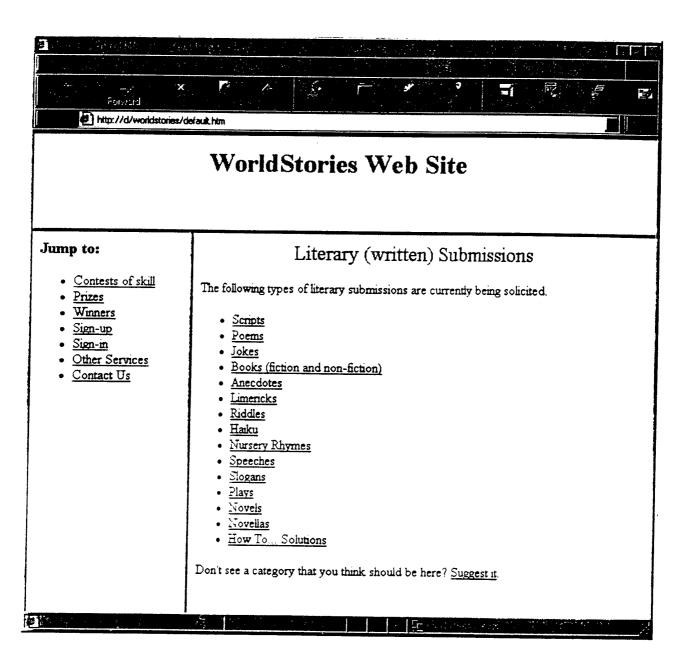


Fig. 7A

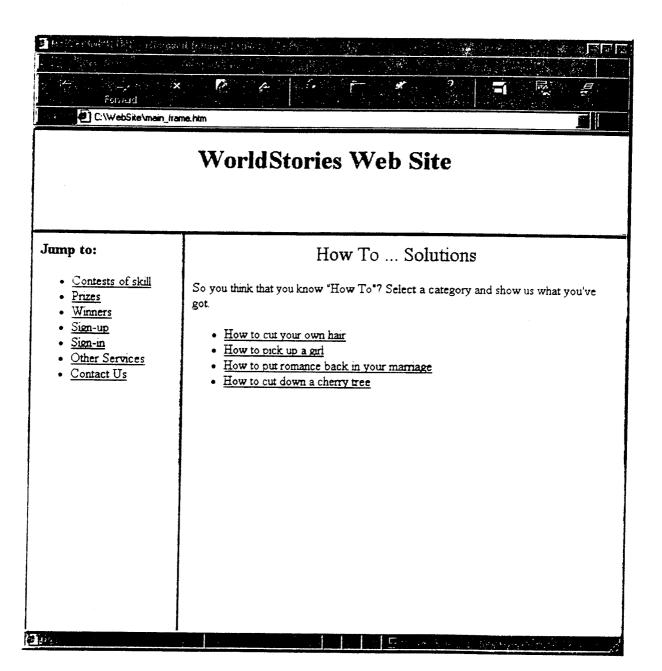


Fig. 7B

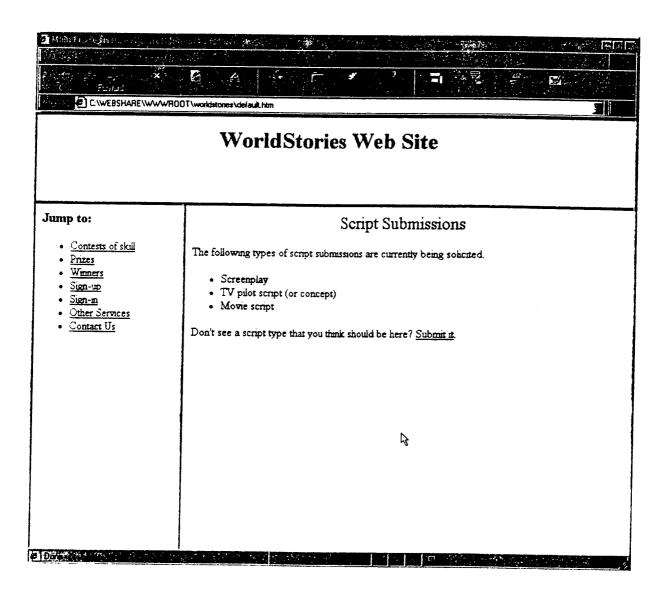


Fig. 7C

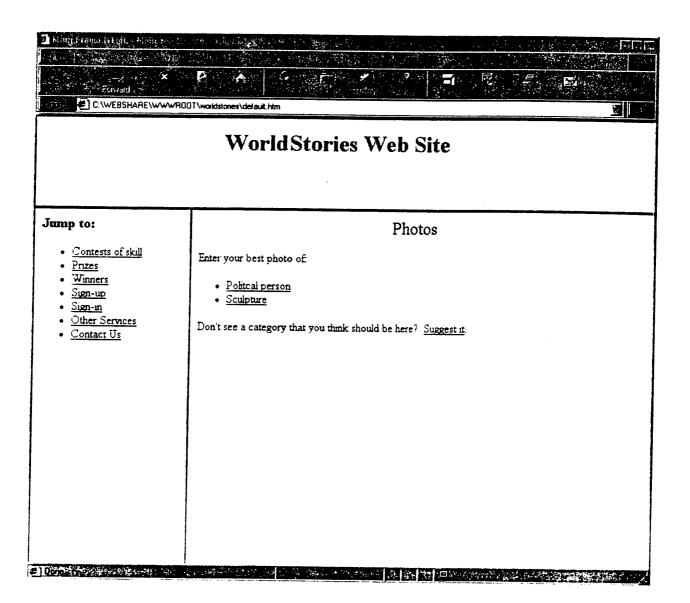


Fig. 8

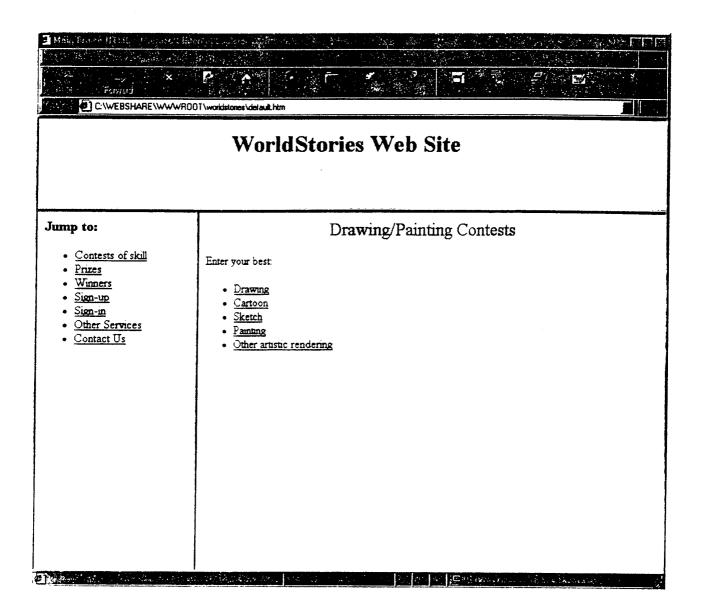


Fig. 9A

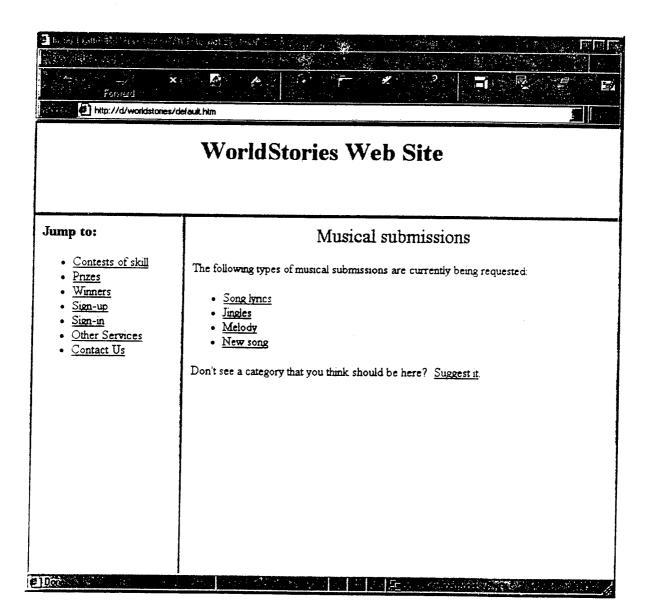


Fig. 9B

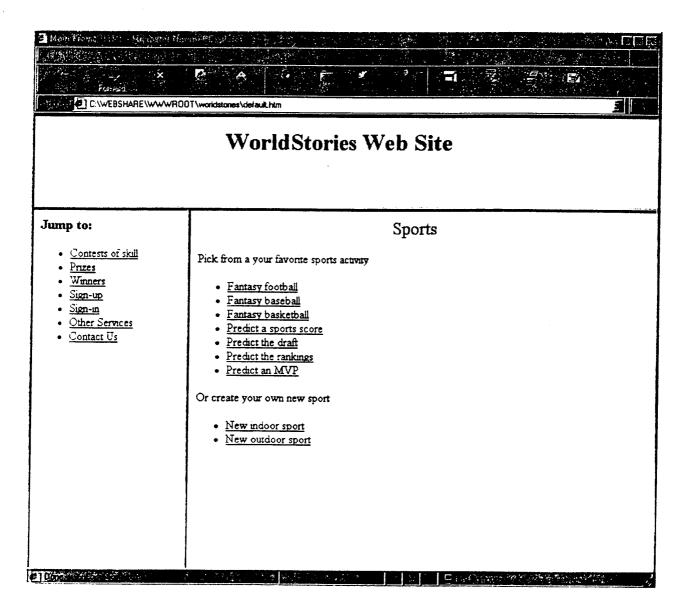


Fig. 10

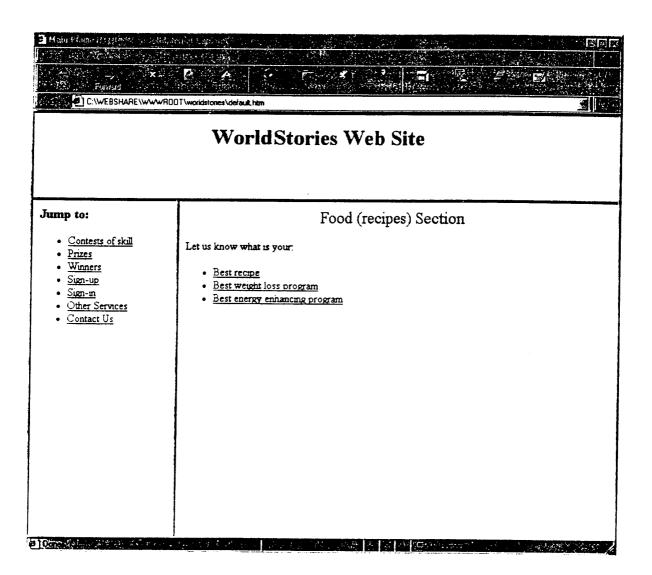


Fig. 11

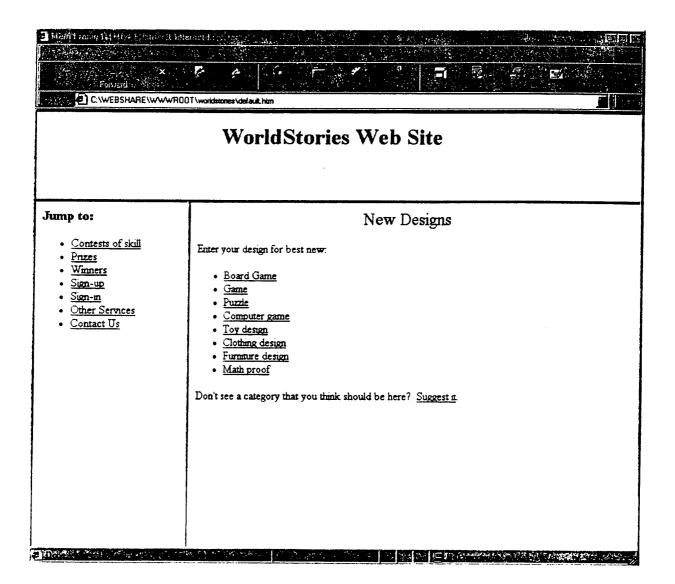


Fig. 12

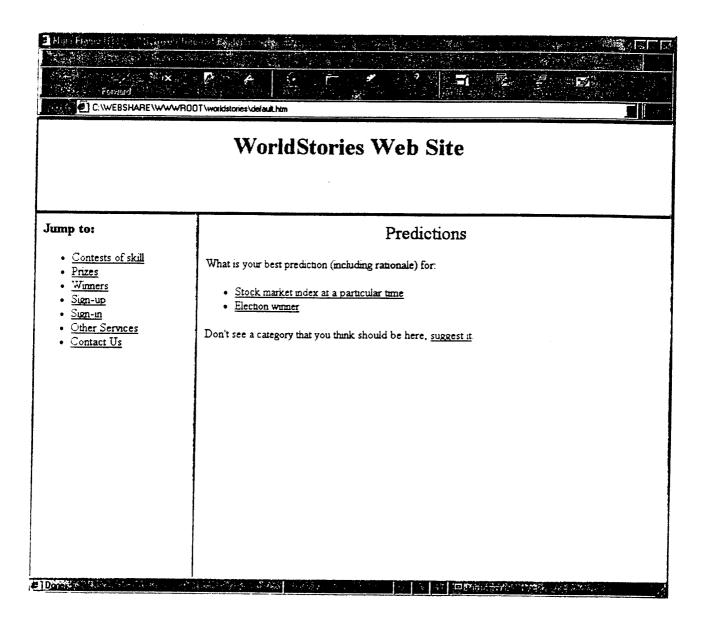


Fig. 13

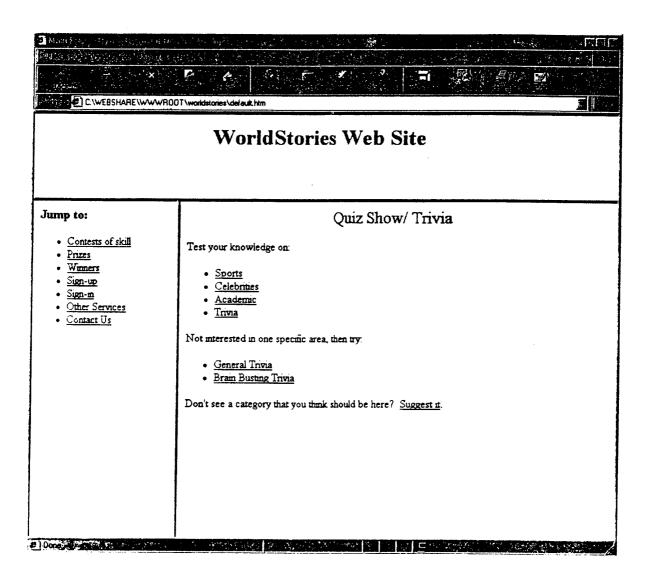


Fig. 14

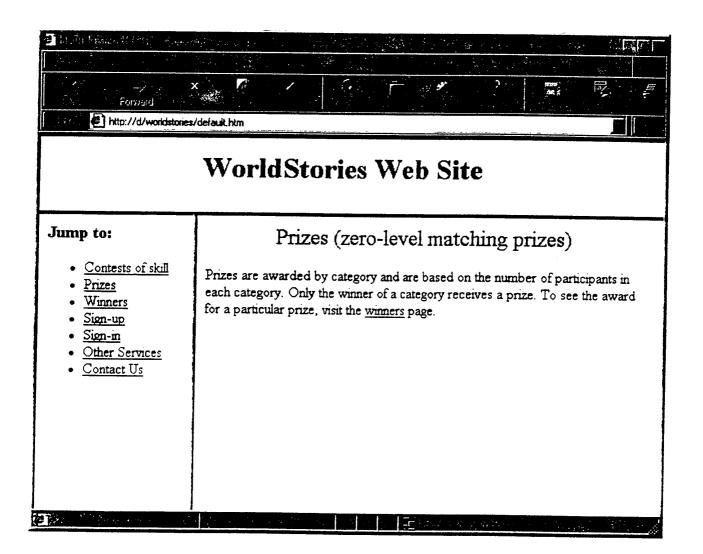


Fig. 15A

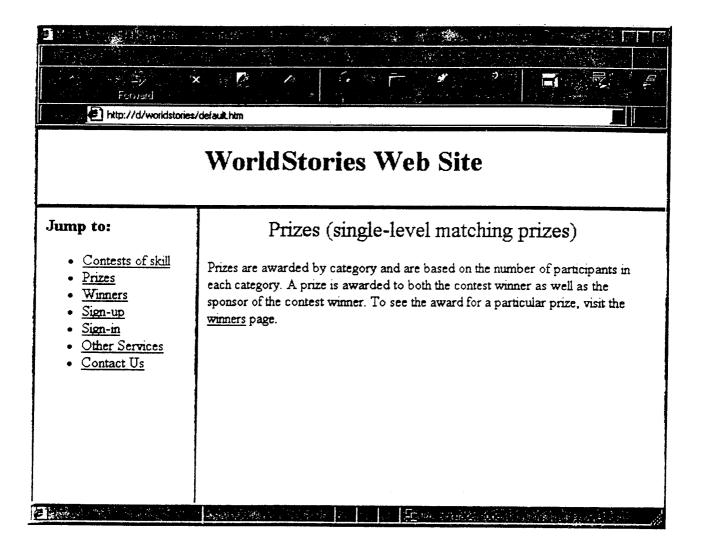


Fig. 15B

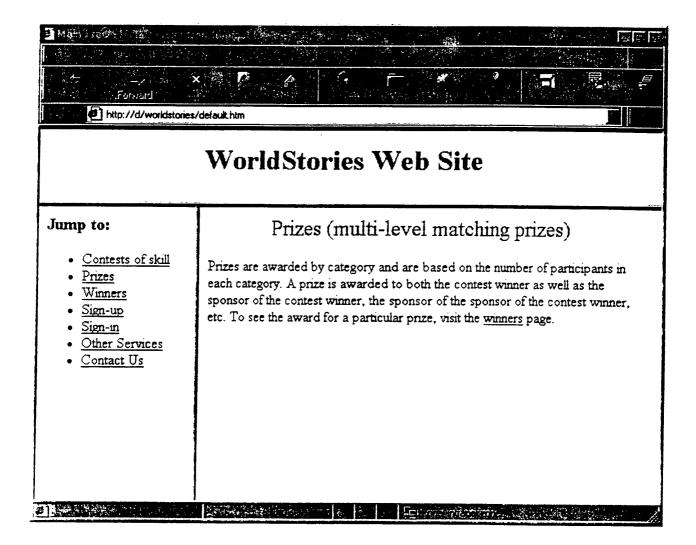


Fig. 15C

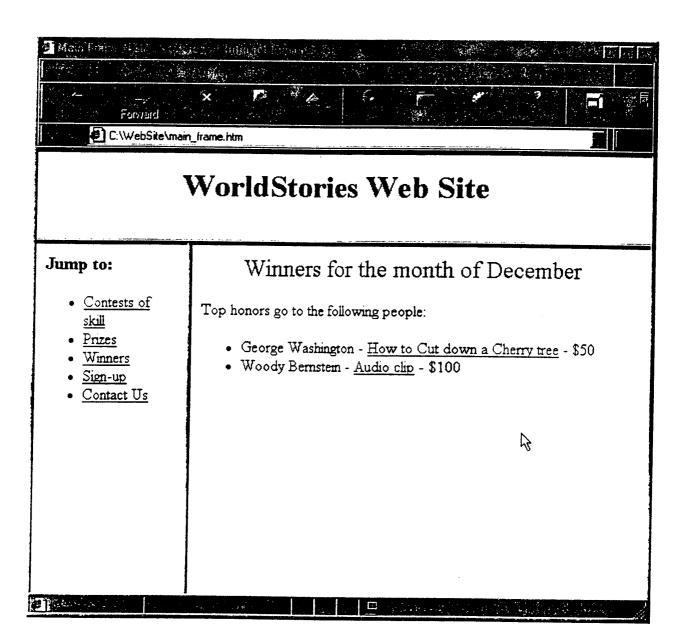


Fig. 16A

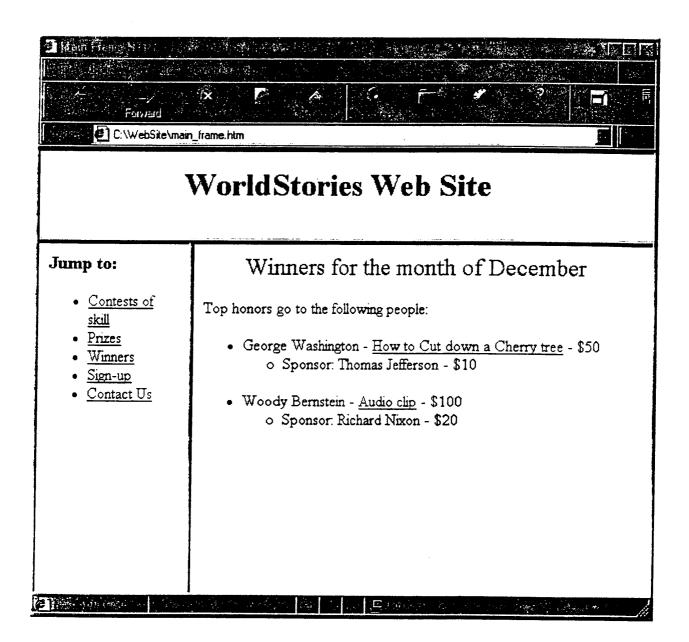


Fig. 16B

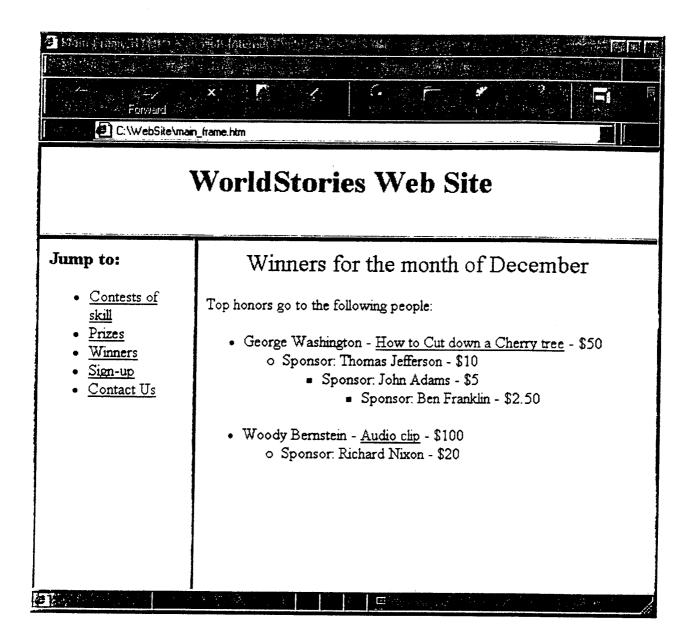


Fig. 16C

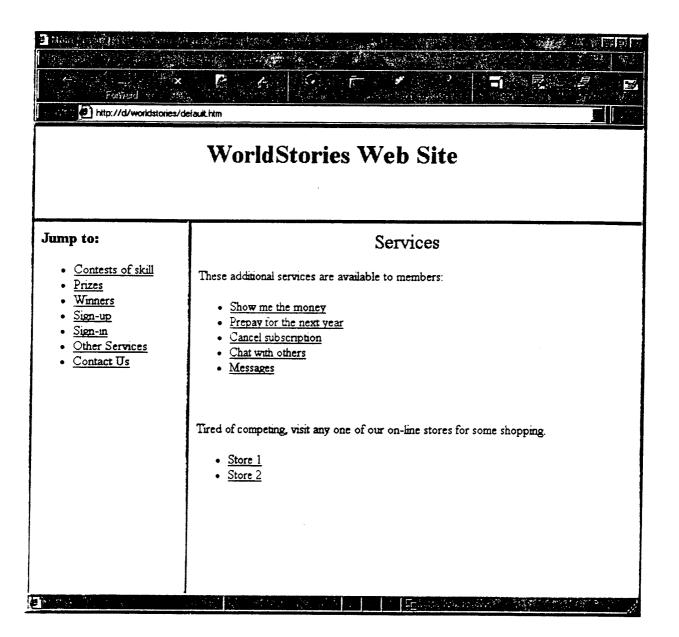


Fig. 17

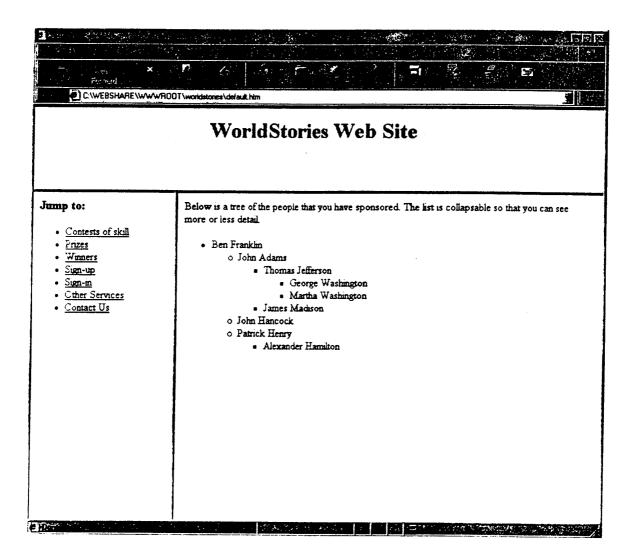


Fig. 18A

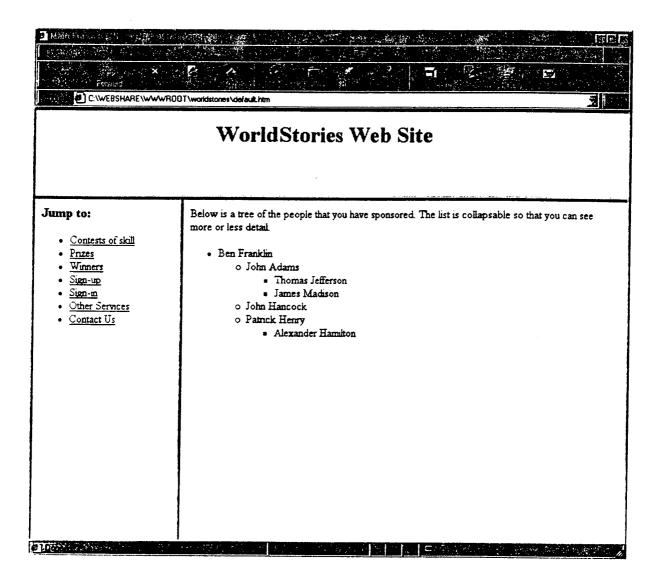


Fig. 18B

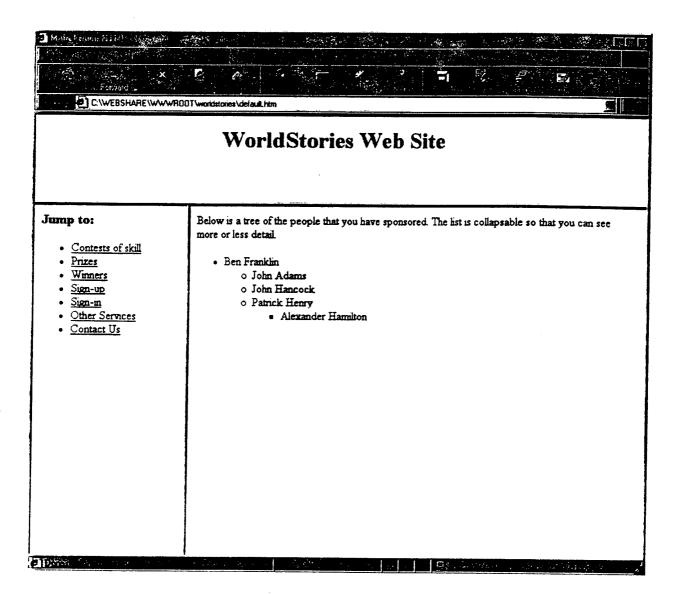


Fig. 18C

Forward 2 C:\WebSite\main_frame.htm				
	WorldStories Web Site			
• Contests of skill • Prizes • Winners • Sign-up • Sign-in • Other Services • Contact Us	Enter your login information to cancel: User name Password Last revised: December 10, 1998			

Fig. 19

Ectivard C:\WebSite\main_frame.htm WorldStories Web Site					
Jump to: Contests of skill Prizes Winners Sign-up Sign-in Other Services Contact Us	Pre-Payment Please provide the following ordering information: BILLING Credit card VISA Cardholder name Card number Expiration date SHIPPING Street address Address (cont.) City				
E 1 D'origination de la constant de	State/Province Zip/Postal code Country				

Fig. 20

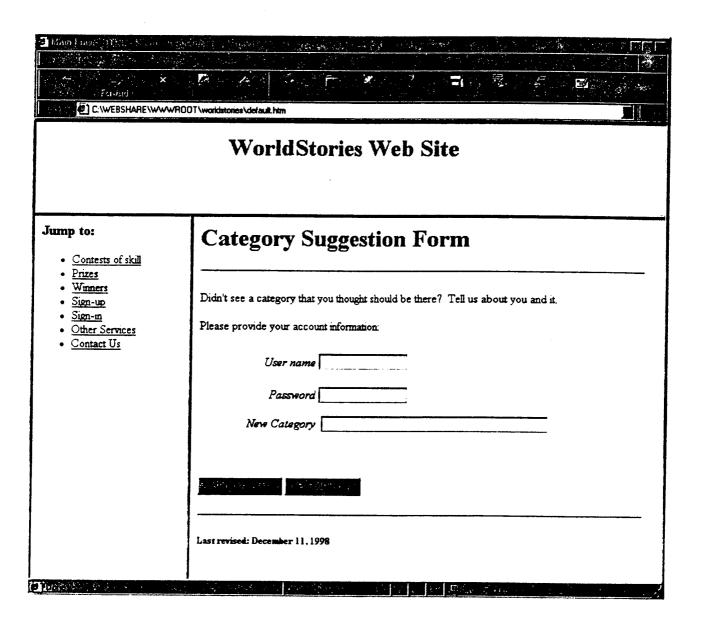


Fig. 21

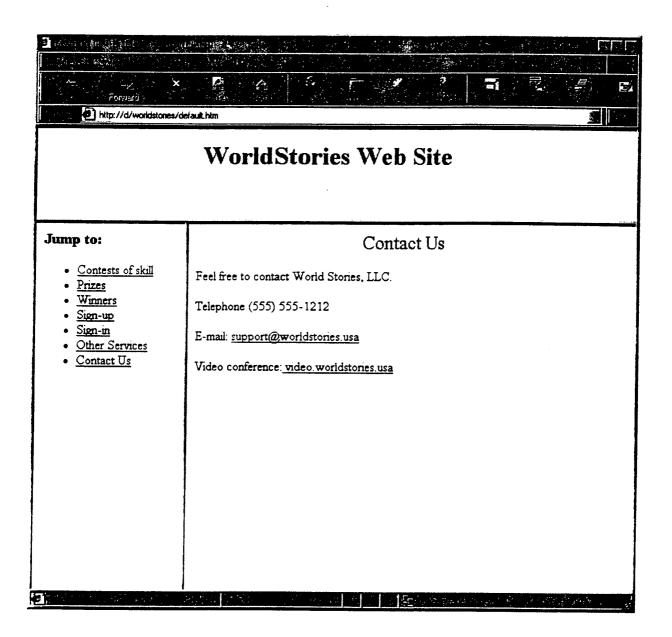


Fig. 22

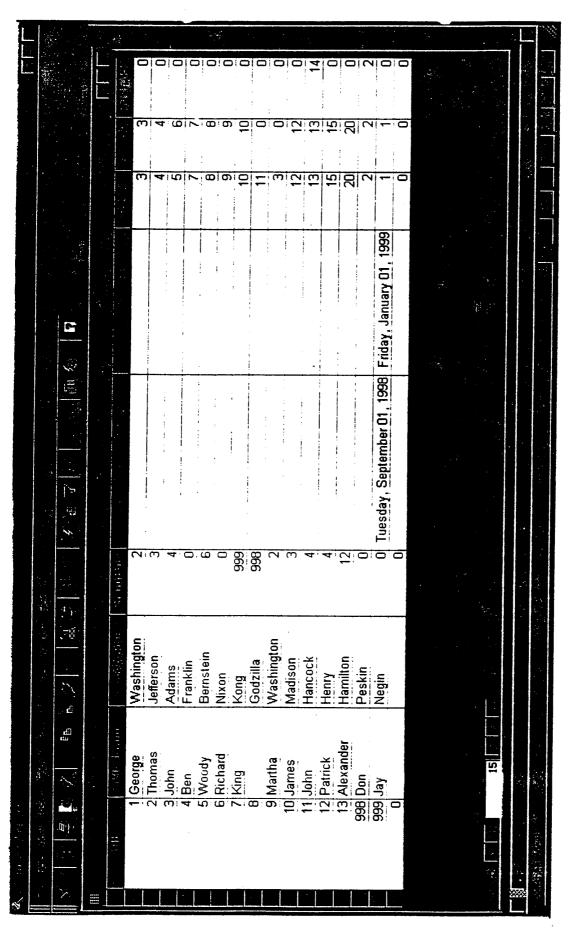


Fig. 23

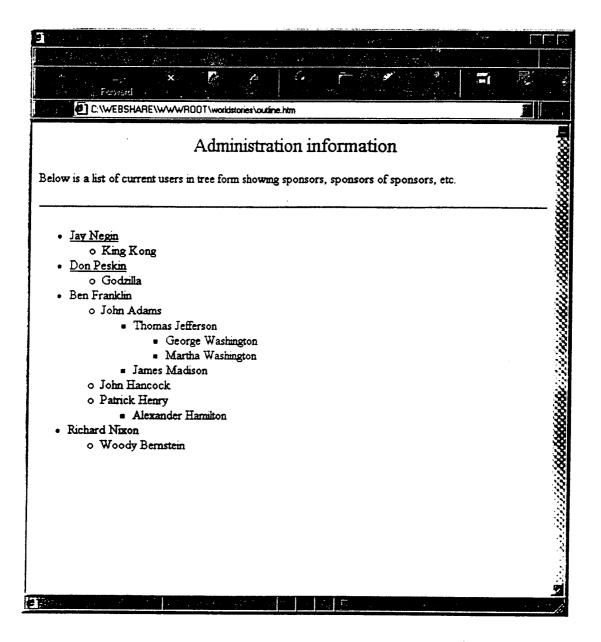


Fig. 24

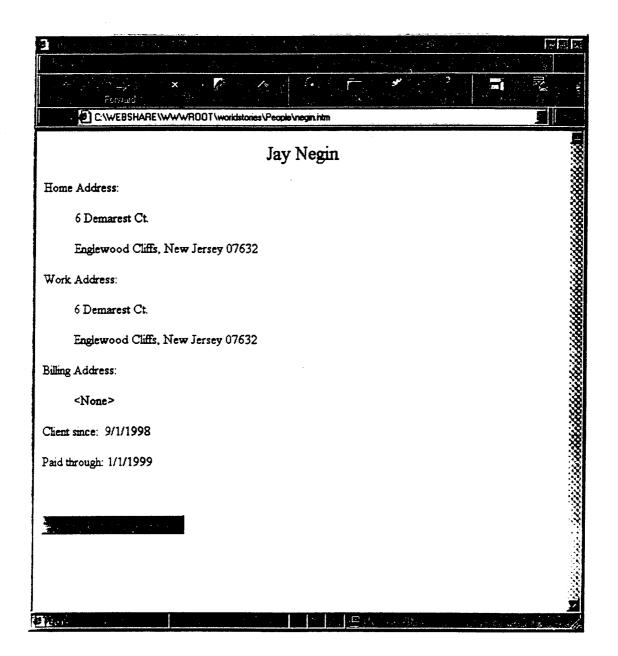


Fig. 25

INTERNATIONAL SEARCH REPORT

International application No. PCT/US99/21470

A. CLASSIFICATION OF SUBJECT MATTER IPC(6) :G06F 17/60						
US CL : 7 According to 1	US CL: 705/14, 26 27 80 According to International Patent Classification (IPC) or to both national classification and IPC					
B. FIELDS SEARCHED						
	Minimum documentation searched (classification system followed by classification symbols)					
U.S. : 705/14, 26 27 80						
Documentation	n searched other than minimum documentation to the	extent that such documents are included	in the fields searched			
Electronic data	a base consulted during the international search (name	ne of data base and, where practicable,	search terms used)			
Electronic data base consulted during the international search (name of data base and, where practicable, search terms used) Please See Extra Sheet.						
C. DOCU	MENTS CONSIDERED TO BE RELEVANT					
Category*	Citation of document, with indication, where app	ropriate, of the relevant passages	Relevant to claim No.			
	P US 5,991,740 A (MESSER) 23 NOVEMBER 1999, col. 6, lines 3-10, col. 3, lines 12-49, col. 5, line 31 and col. 9, lines 9-10.		1-3			
Y, P	10, coi. 3, inics 12-45, coi. 3, inic 31	und 601. 5, 11166 5 161	4-5			
	"http://www.surprises.com/subform.htm"http://www.surprises.com/contest.htm	4-5				
1	"http://www.CyberTeens.com", "Whe September 1996, page 1-3, 1996.	1-5				
	"Broderbund and Mountain Lake Soft Sponsor the CyberKids/CyberTeens Business Wire, September 1996, page	1-5				
X Further documents are listed in the continuation of Box C. See patent family annex.						
Special categories of cited documents: "A" document defining the general state of the art which is not considered to be of particular relevance		"T" later document published after the int date and not in conflict with the applic principle or theory underlying the in	ation but cited to understand the			
"E" earlie	er document published on or after the international filing date	'X" document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone				
cited to establish the publication date of another citation or other special reason (as specified) "O" document referring to an oral disclosure, use, exhibition or other		"Y" document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination				
	ns ument published prior to the international filing date but later than priority date claimed	being obvious to a person skilled in "&" document member of the same pater				
		Date of mailing of the international se 14 FEB 2				
Commissione Box PCT Washington,	ailing address of the ISA/US er of Patents and Trademarks D.C. 20231	Authorized officer Robert Weinhard Robert Telephone No. (703) 305-9780	Matthew			

INTERNATIONAL SEARCH REPORT

International application No. PCT/US99/21470

C (Continua	inuation). DOCUMENTS CONSIDERED TO BE RELEVANT				
Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.			
A,E	US 6,015,344 A (KELLEY et al.) 18 January 2000, Entire Document.	1-5			
A	US 5,280,426 A (EDMONDS et al) 18 January 1994, Entire Document.	1-5			
A, P	US 5,916,024 A (VON KOHORN) 29 June 1999, Entire Document.	1-5			
A	US 5,710,884 A (DEDRICK) 20 January 1998, Entire Document.	1-5			

INTERNATIONAL SEARCH REPORT

International application No. PCT/US99/21470

B. FIELDS SEARCHED Electronic data bases consulted (Name of data base and where practicable terms used):			
DIALOG, ONLINE, WEST search terms: contests, award, prize, commissions, Able Minds, Inc., CyberTeens.com, CyberKids.com, track, cookies, skills, subscriber, subscription, fee, sponsors, Mountain Lake Software, Inc, Broderbund Software, Inc. launch, referral, Surprises.com.			