

EXHIBIT 9

Chart A-48

Claim Chart of the Yahoo Registration No. 333-2142, Form SB-2, dated March 7, 1996
("Yahoo Form SB-2")

as prior art to

Asserted Claims of U.S. Patent No. 7,236,969 B1 ("969 Patent")
and
Asserted Claims of U.S. Patent No. 7,469,245 B2 ("245 Patent")
and
Asserted Claims of U.S. Patent No. 7,672,970 B2 ("970 Patent")
and
Asserted Claims of U.S. Patent No. 7,895,178 B2 ("178 Patent")
and
Asserted Claims of U.S. Patent No. 7,895,183 B2 ("183 Patent")
and
Asserted Claims of U.S. Patent No. 7,933,883 B2 ("883 Patent")

Google also asserts that each of the references cited in this chart anticipates the asserted claims or renders the asserted claims obvious in combination with the other references in that chart.

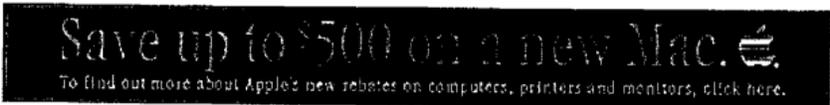
This chart is based on Rockstar's apparent construction of the claims, and is not an admission that those constructions are correct or appropriate.

'969 Patent	YAHOO PROSPECTUS
Claim 1	
1. A method of providing advertisements to a user searching for desired information within a data network, comprising the steps of:	The Yahoo Form SB-2 discloses a method for providing advertisements to a user searching for desired information within a data network.

'969 Patent

YAHOO PROSPECTUS

Advertising on *Yahoo!* currently consists primarily of banner advertisements that appear on the top of directory pages within the *Yahoo!* main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services.



Yahoo Form SB-2 at GOOG-WRD-00874333.

'969 Patent

YAHOO PROSPECTUS



December 29, 1995 - January 19, 1996



November 15, 1995 - November 30, 1995



October 1, 1995 - October 31, 1995

In addition to banner advertising on pages in *Yahoo!*, the Company offers premium positions on the home page of *Yahoo!*, which is typically used in conjunction with promotions and special events. *Yahoo!*'s strategy is to use these sponsorship positions for high profile promotions which may also result in additional visibility and awareness for *Yahoo!*.

Id. at GOOG-WRD-00874334.

The Company believes that the Web represents an important new medium for sponsors to reach consumers through targeted, interactive and highly measurable advertising. A report by Forrester Research in June 1995 estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates. The Company's objective is to capitalize on this opportunity by providing the most popular and widely used guide to information on the Internet and to leverage the Company's strong brand position by developing a global family of branded media properties in targeted subject, demographic and geographic areas. The Company also intends to enhance and extend the features and functionality of the *Yahoo!* main site, continue to promote its *Yahoo!* brand and build additional alliances with strategic third party content, technology and distribution partners. By mid-1996, the Company, with its strategic partners, expects to introduce *Yahooligans!*, an Internet navigational guide for children ages 8 to 14; *Yahoo! Japan* and *Yahoo! Canada*, localized versions of *Yahoo!*; *Yahoo! Computing*, an online guide focused on computing topics; and *Yahoo! Internet Life*, a print and online magazine which provides in-depth editorial coverage, including reviews, of particular subject areas of interest on the Internet.

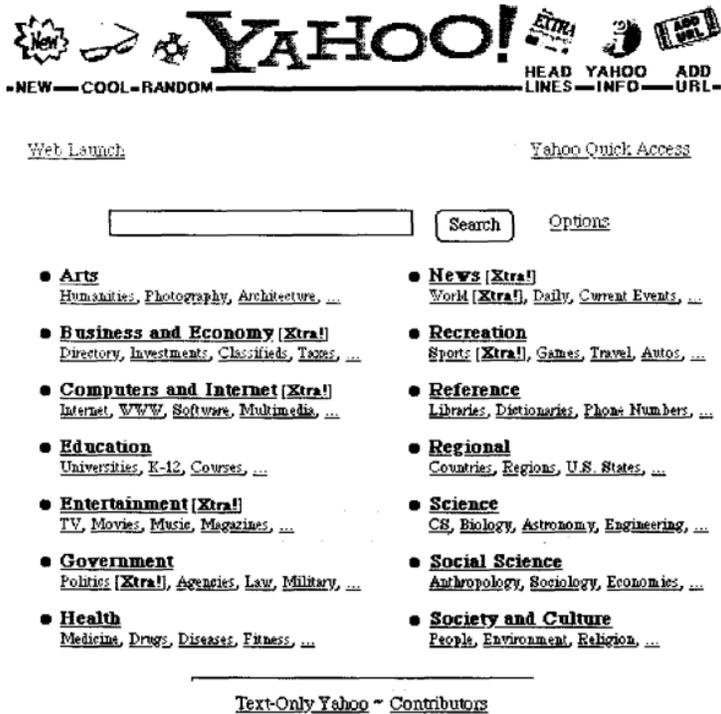
Id. at GOOG-WRD-00874335.

'969 Patent	YAHOO PROSPECTUS
	<p>The Company has established strategic alliances with prominent content, technology, distribution and financial partners, including Ziff-Davis Publishing Company, Reuters New Media, Open Text Corporation, SOFTBANK, Rogers Communications, Sequoia Capital and The Capital Group. SOFTBANK, one of the Company's principal shareholders, has agreed to make an additional equity investment of \$63.75 million in the Company, which will close in March 1996. The Yahoo! main site hosts over 70 advertisers in March 1996, including American Express Company, Apple Computer, Colgate-Palmolive, Lexus, MCI Communications Corp. and VISA. The Company's navigational guide is featured in a number of online and Internet access services and leading Web sites, including CompuServe/Spry, Global Network Navigator (a subsidiary of America Online, Inc.), Intuit's Quicken Financial Network, The Microsoft Network, the Netscape Communications Corporation directory and search pages and Pacific Bell Internet.</p> <p>Id. at GOOG-WRD-00874335.</p> <p>The Company was incorporated in March 1995 and did not commence generating advertising revenues until August 1995. Accordingly, the Company has a very limited operating history upon which an evaluation of the Company and its prospects can be based. The Company and its prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the new and rapidly evolving market for Internet products and services. To address these risks, the Company must, among other things, continue to respond to competitive developments, attract, retain and motivate qualified personnel, implement and successfully execute its advertising sales strategy, develop and market additional media properties, upgrade its technologies and commercialize products and services incorporating such technologies. There can be no assurance that the Company will be successful in addressing such risks. As of December 31, 1995, the Company had an accumulated deficit of \$634,000. Although the Company has experienced revenue growth in recent periods, there can be no assurance that the revenues of the Company will continue to increase or continue at their current level. The extremely limited operating history of the Company makes the prediction of future results of operations difficult or impossible, and therefore, the recent revenue growth experienced by the Company should not be taken as indicative of the rate of revenue growth, if any, that can be expected in the future. The Company believes that period to period comparisons of its operating results are not meaningful and that the results for any period should not be relied upon as an indication of future performance. Although the Company reported an operating profit for the quarter ended December 31, 1995, the Company currently expects to significantly increase its operating expenses to expand its sales and marketing operations, to fund greater levels of product development and to develop and commercialize additional media properties. The Company expects to continue to incur significant losses on a quarterly and annual basis for the foreseeable future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."</p> <p>Id. at GOOG-WRD-00874337.</p> <p>Potential Fluctuations in Quarterly Operating Results</p> <p>As a result of the Company's extremely limited operating history, the Company does not have historical financial data for a significant number of periods on which to base planned operating expenses. Substantially all of the Company's revenues to date have been derived from sales of advertising on Yahoo!, and the Company expects in the foreseeable future to derive substantially all of its revenues from advertising sales on Yahoo!. Quarterly revenue and operating results depend substantially upon the advertising revenues received within the quarter, which are difficult to forecast accurately. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of Yahoo!. To the extent that minimum impression levels are not achieved for any reason, the Company may be required to "make good" or provide additional impressions after the contract term, which may adversely affect the availability of advertising inventory. To the extent minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until guaranteed impression levels are achieved. The Company's expense levels are based in part on its expectations concerning future revenue and to a large extent are fixed. Quarterly revenues and operating results depend substantially upon the advertising revenues received within the quarter, which are difficult to forecast accurately. Accordingly, the cancellation or deferral of a small number of advertising contracts could have a material adverse effect on the Company's business, results of operations or financial condition. The Company may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall, and any significant shortfall in revenue in relation to the Company's expectations would have an immediate adverse effect on the Company's business, results of operations and financial condition. In addition, the Company plans to significantly increase its operating expenses to expand its sales and marketing operations, to fund greater levels of product development and to develop and commercialize additional media properties. To the extent that such expenses precede or are not subsequently followed by increased revenues, the Company's business, results of operations and financial condition will be materially and adversely affected.</p> <p>Id. at GOOG-WRD-00874337-38.</p>

'969 Patent	YAHOO PROSPECTUS
	<p data-bbox="583 254 894 277">Reliance on Advertising Revenues</p> <p data-bbox="583 281 1435 548">The Company derives substantially all of its revenues from the sale of advertisements on its Web pages, and expects to continue to do so for the foreseeable future. For the year ended December 31, 1995, advertising revenues represented 93% of the Company's net revenues. The Company is in the early stages of implementing a multichannel advertising sales program. To date, substantially all of the Company's advertising contracts have been for one month terms, with relatively few longer-term advertising contracts. The Company's advertising revenues also have been derived from a limited number of customers. There can be no assurance that the Company's current advertisers will continue to purchase advertisements on the Company's Web pages. The Company's ability to generate advertising revenues will depend, among other factors, on advertisers' acceptance of the Web as an attractive and sustainable medium, the development of a large base of users of the Company's products and the effective development of media properties that provide user demographic characteristics that will be attractive to advertisers.</p> <p data-bbox="573 583 969 615">Id. at GOOG-WRD-00874339.</p> <p data-bbox="932 659 1071 680" style="text-align: center;">THE COMPANY</p> <p data-bbox="583 693 1435 959">Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web (the "Web"). <i>Yahoo!</i>, one of the first comprehensive and popular navigational services for the Web, was developed and made available in 1994 by the Company's founders, David Filo and Jerry Yang, while they were graduate students at Stanford University. The Company believes that by providing an intuitive, context-based guide to Web content, <i>Yahoo!</i> has played a significant role in the development and growth in usage of the Web. As a result, the Company believes that <i>Yahoo!</i> has achieved a strong, globally prominent brand presence among Web users and is one of the most visible and recognizable names generally associated with the Internet. The Company estimates that <i>Yahoo!</i> averaged in excess of 1 million visits and 7 million page views per day in February 1996. The Company believes that by providing a branded "navigational gateway" to Internet resources and a familiar context for user navigation of the Web, <i>Yahoo!</i> is well-positioned to capitalize on the emergence of the Web as a new advertising mass medium.</p> <p data-bbox="583 970 1435 1079">The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users searching for information and for content providers attempting to reach their target audience. <i>Yahoo!</i> offers a context-based directory structure, which permits users to search for information online within interest-area categories, as well as a Web-wide search engine that is seamlessly integrated with the <i>Yahoo!</i> directory service. <i>Yahoo!</i> offers these services free of charge to Web users.</p> <p data-bbox="583 1089 1435 1442">The Company believes that the Web represents an important new medium for sponsors to reach consumers through targeted, interactive and highly measurable advertising. A report by Forrester Research in June 1995 estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates. The Company's objective is to capitalize on this opportunity by providing the most popular and widely used guide to information on the Internet and to leverage the Company's strong brand position by developing a global family of branded media properties in targeted subject, demographic and geographic areas. The Company also intends to enhance and extend the features and functionality of the <i>Yahoo!</i> main site, continue to promote its <i>Yahoo!</i> brand and build additional alliances with strategic third party content, technology and distribution partners. By mid-1996, the Company, with its strategic partners, expects to introduce <i>Yahoo!igans!</i>, an Internet navigational guide for children ages 8 to 14; <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, localized versions of <i>Yahoo!</i>; <i>Yahoo! Computing</i>, an online guide focused on computing topics; and <i>Yahoo! Internet Life</i>, a print and online magazine which provides in-depth editorial coverage, including reviews, of particular subject areas of interest on the Internet.</p> <p data-bbox="573 1478 969 1509">Id. at GOOG-WRD-00874348.</p>

'969 Patent	YAHOO PROSPECTUS
	<p>Overview</p> <p>Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web (the "Web"). <i>Yahoo!</i> was one of the first comprehensive and popular navigational services for the Web, and the Company believes that by providing an intuitive, context-based guide to Web content, <i>Yahoo!</i> has played a significant role in the development and growth in usage of the Web. From March 5, 1995 (Inception) to December 31, 1995, the Company's operating activities related primarily to recruiting personnel, raising capital, purchasing operating assets and performing research and development. The Company commenced selling advertisements on its Web pages and recognized its initial revenues in August 1995.</p> <p>The Company believes that the Web represents an important new means for advertisers to reach consumers through a targeted, interactive and highly measurable medium. The Company derives substantially all of its revenues from the sale of advertisements. Advertising revenues are recognized in the period in which the advertisement is displayed, provided that no significant Company obligations remain and collection of the resulting receivable is probable. Company obligations typically include guarantees of minimum number of "impressions," or times that any advertisement appears in page views downloaded by users of <i>Yahoo!</i>. To the extent minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until guaranteed impression levels are achieved. Deferred revenue is comprised of billings in excess of recognized revenue relating to advertising contracts. The Company records advertising revenue net of any amounts allocable to third parties under the terms of revenue sharing agreements. The Company's revenues are derived principally from the sale of advertisements on short-term contracts. The Company's standard rates for advertising currently range from \$0.02 to \$0.06 per impression. To date, the duration of the Company's advertising commitments has ranged from one week to one year.</p> <p>Id. at GOOG-WRD-00874353.</p> <p>Overview</p> <p>Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web. <i>Yahoo!</i>, one of the first comprehensive and popular navigational services for the Web, was developed and made available in 1994 by the Company's founders, David Filo and Jerry Yang, while they were graduate students at Stanford University. The Company believes that by providing an intuitive, context-based guide to Web content, <i>Yahoo!</i> has played a significant role in the development and growth in usage of the Web. As a result, the Company believes that <i>Yahoo!</i> has achieved a strong, globally prominent brand presence among Web users and is one of the most visible and recognizable names generally associated with the Internet. The Company estimates that <i>Yahoo!</i> averaged in excess of 1 million visits and 7 million page views per day in February 1996. The Company believes that by providing a branded "navigational gateway" to Internet resources and a familiar context for user navigation of the Web, <i>Yahoo!</i> is well-positioned to capitalize on the emergence of the Web as a new advertising mass medium.</p> <p>Id. at GOOG-WRD-00874357.</p>

'969 Patent	YAHOO PROSPECTUS		
	<p data-bbox="602 260 951 281">The Web as a New Advertising Medium</p> <p data-bbox="583 285 1435 438">Advertisers have identified the Web as a means for mass communication of their messages, similar in many respects to the use of advertising in traditional media such as television and radio broadcasting and print publishing. A report by Forrester Research in June 1995, estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates.</p> <p data-bbox="583 451 1435 871">Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>, through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers.</p> <p data-bbox="571 917 967 945">Id. at GOOG-WRD-00874358.</p> <p data-bbox="586 991 799 1012">The Yahoo! Opportunity</p> <p data-bbox="583 1016 1435 1171">Internet navigational tools and services are uniquely positioned to capitalize on the growth of the Web as a new advertising medium, since they provide an increasingly essential means by which both new and experienced Web users locate and evaluate the vast amount of information available on the Internet. The Company believes that because navigational guides tend to be utilized regularly by Web users, these guides will experience volumes of user traffic and impressions that are among the highest on the Web. In addition, the context orientation of navigational guides permit advertisers to focus their messages towards a targeted audience based upon user interests.</p> <p data-bbox="583 1184 1435 1314">The Company believes that by providing a "navigational gateway" to Internet resources and a familiar context for regular use of the Web, <i>Yahoo!</i> is well positioned to capitalize on the emergence of the Web as a new advertising medium. The Company also believes that, by developing additional <i>Yahoo!</i> branded media properties focused on interest areas, demographic groups and geographic areas, the Company can provide advertisers with an even greater ability to target their advertising messages to relevant audiences.</p> <p data-bbox="571 1354 967 1381">Id. at GOOG-WRD-00874358.</p> <p data-bbox="589 1432 794 1453">Advertising Customers</p> <p data-bbox="589 1457 1435 1524">During the two months ended February 29, 1996, the Company sold advertising on <i>Yahoo!</i> to over 70 advertisers in a variety of industries. The following advertisers purchased in excess of \$10,000 in advertising on <i>Yahoo!</i> during this period:</p> <table data-bbox="646 1537 1373 1780"> <tbody> <tr> <td data-bbox="646 1537 1023 1780"> Adobe Systems Corporation American Express Company C/NET Colgate-Palmolive Discovery Channel Online Hearst New Media Home International Business Machines Corporation Individual, Inc. (Newspage) Lotus Development Corp. MCI Communications Corp. Microsoft Corporation </td> <td data-bbox="1040 1537 1373 1780"> NECX Netscape Communications Corporation NYNEX Politics USA RENT NET Samsung Corporation Saturn Corporation Sportsline Sprint BSQ/Grey Interactive Tripod, Inc. Video On-Line </td> </tr> </tbody> </table> <p data-bbox="571 1816 967 1843">Id. at GOOG-WRD-00874367.</p>	Adobe Systems Corporation American Express Company C/NET Colgate-Palmolive Discovery Channel Online Hearst New Media Home International Business Machines Corporation Individual, Inc. (Newspage) Lotus Development Corp. MCI Communications Corp. Microsoft Corporation	NECX Netscape Communications Corporation NYNEX Politics USA RENT NET Samsung Corporation Saturn Corporation Sportsline Sprint BSQ/Grey Interactive Tripod, Inc. Video On-Line
Adobe Systems Corporation American Express Company C/NET Colgate-Palmolive Discovery Channel Online Hearst New Media Home International Business Machines Corporation Individual, Inc. (Newspage) Lotus Development Corp. MCI Communications Corp. Microsoft Corporation	NECX Netscape Communications Corporation NYNEX Politics USA RENT NET Samsung Corporation Saturn Corporation Sportsline Sprint BSQ/Grey Interactive Tripod, Inc. Video On-Line		

'969 Patent	YAHOO PROSPECTUS
<p>[a] receiving, from the user, a search request including a search argument corresponding to the desired information;</p>	<p>The Yahoo Form SB-2 discloses received, from the user, a search request including a search argument corresponding to the desired information.</p> <p>Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web.</p>  <p>Id. at GOOG-WRD-00874332.</p>

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	<p style="text-align: center;">THE COMPANY</p> <p>Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web (the "Web"). <i>Yahoo!</i>, one of the first comprehensive and popular navigational services for the Web, was developed and made available in 1994 by the Company's founders, David Filo and Jerry Yang, while they were graduate students at Stanford University. The Company believes that by providing an intuitive, context-based guide to Web content, <i>Yahoo!</i> has played a significant role in the development and growth in usage of the Web. As a result, the Company believes that <i>Yahoo!</i> has achieved a strong, globally prominent brand presence among Web users and is one of the most visible and recognizable names generally associated with the Internet. The Company estimates that <i>Yahoo!</i> averaged in excess of 1 million visits and 7 million page views per day in February 1996. The Company believes that by providing a branded "navigational gateway" to Internet resources and a familiar context for user navigation of the Web, <i>Yahoo!</i> is well-positioned to capitalize on the emergence of the Web as a new advertising mass medium.</p> <p>The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users searching for information and for content providers attempting to reach their target audience. <i>Yahoo!</i> offers a context-based directory structure, which permits users to search for information online within interest-area categories, as well as a Web-wide search engine that is seamlessly integrated with the <i>Yahoo!</i> directory service. <i>Yahoo!</i> offers these services free of charge to Web users.</p> <p>The Company believes that the Web represents an important new medium for sponsors to reach consumers through targeted, interactive and highly measurable advertising. A report by Forrester Research in June 1995 estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates. The Company's objective is to capitalize on this opportunity by providing the most popular and widely used guide to information on the Internet and to leverage the Company's strong brand position by developing a global family of branded media properties in targeted subject, demographic and geographic areas. The Company also intends to enhance and extend the features and functionality of the <i>Yahoo!</i> main site, continue to promote its <i>Yahoo!</i> brand and build additional alliances with strategic third party content, technology and distribution partners. By mid-1996, the Company, with its strategic partners, expects to introduce <i>Yahooligans!</i>, an Internet navigational guide for children ages 8 to 14; <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, localized versions of <i>Yahoo!</i>; <i>Yahoo! Computing</i>, an online guide focused on computing topics; and <i>Yahoo! Internet Life</i>, a print and online magazine which provides in-depth editorial coverage, including reviews, of particular subject areas of interest on the Internet.</p> <p>Id. at GOOG-WRD-00874348.</p> <p style="text-align: center;">Technology and Infrastructure</p> <p>The Company has licensed Web-wide search engine technology from Open Text Corporation ("Open Text") under a non-exclusive, long term agreement. Due to the complexities of the Open Text technology, the Company remains substantially dependent upon ongoing maintenance and technical support from Open Text to ensure effective operation of the search engine. The Company also depends upon its joint efforts with Open Text to design and implement improvements to the integration of the search engine within <i>Yahoo!</i>, which the Company believes will be an important factor in the Company's future ability to compete favorably with other Internet navigational guides. Any failure of Open Text to provide prompt and effective support and maintenance to the Company, or to effectively participate in any such improvements, could have a material adverse effect on the Company's business, results of operations and financial condition. The Company also relies on a private third party provider, Internet Systems, Inc. ("ISI"), to provide the Company with access to two partial T3 (45 megabit per second) Internet connections. Any disruption in the Internet access provided by ISI or any failure of ISI to handle higher volumes of queries could have a material adverse effect on the Company's business, results of operations and financial condition. See "Business — Strategic Alliances — Technology Alliance" and "— Infrastructure, Operations and Technology."</p> <p>Id. at GOOG-WRD-00874340.</p>

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	<p>Competition</p> <p>The market for Internet products and services is highly competitive and competition is expected to continue to increase significantly. In addition, the Company expects the market for Web-based advertising, to the extent it develops, to be intensely competitive. There are no substantial barriers to entry, and the Company expects that competition will continue to intensify. Although the Company believes that the diverse segments of the Internet market will provide opportunities for more than one supplier of products and services similar to those of the Company, it is possible that a single supplier may dominate one or more market segments. The Company competes with other providers of Internet navigational tools and services, including directory and Web site review services and search engine services. Many companies offer competitive products or services addressing certain of the Company's target markets, including, among others, AOL (Web Crawler), Architext Software, Inc. (Excite), Digital Equipment Corporation (Alta Vista), Infoseek Corporation (InfoGuide), Lycos, Inc. (Lycos and A2Z), The McKinley Group (Magellan), MCI/NewsCorp (I-Guide) and Open Text Corporation (Open Text Index). In addition, the Company competes with metasearch services that allow a user to search the databases of several directories and catalogs simultaneously. The Company also competes indirectly with database vendors that offer information search and retrieval capabilities with their core database products. In the future, the Company may encounter competition from providers of Web browser software and other Internet products and services that incorporate search and retrieval features into their offerings. In addition, entities that sponsor or maintain high-traffic Web sites could develop or acquire Internet search and navigation functions that compete with those offered by the Company. Many of the Company's existing competitors, as well as a number of potential new competitors, have significantly greater financial, technical and marketing resources than the Company. In addition, to the extent that smaller providers of Internet navigational tools and services may be acquired by or enter into other commercial relationships with larger, well-established and well-financed companies, such as Microsoft or Netscape, the Company could face greater competition, and consequently the Company's business, results of operations and financial condition could be adversely affected.</p> <p>Id. at GOOG-WRD-00874342.</p> <p>Overview</p> <p>Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web (the "Web"). Yahoo! was one of the first comprehensive and popular navigational services for the Web, and the Company believes that by providing an intuitive, context-based guide to Web content, Yahoo! has played a significant role in the development and growth in usage of the Web. From March 5, 1995 (inception) to December 31, 1995, the Company's operating activities related primarily to recruiting personnel, raising capital, purchasing operating assets and performing research and development. The Company commenced selling advertisements on its Web pages and recognized its initial revenues in August 1995.</p> <p>The Company believes that the Web represents an important new means for advertisers to reach consumers through a targeted, interactive and highly measurable medium. The Company derives substantially all of its revenues from the sale of advertisements. Advertising revenues are recognized in the period in which the advertisement is displayed, provided that no significant Company obligations remain and collection of the resulting receivable is probable. Company obligations typically include guarantees of minimum number of "impressions," or times that any advertisement appears in page views downloaded by users of Yahoo!. To the extent minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until guaranteed impression levels are achieved. Deferred revenue is comprised of billings in excess of recognized revenue relating to advertising contracts. The Company records advertising revenue net of any amounts allocable to third parties under the terms of revenue sharing agreements. The Company's revenues are derived principally from the sale of advertisements on short-term contracts. The Company's standard rates for advertising currently range from \$0.02 to \$0.06 per impression. To date, the duration of the Company's advertising commitments has ranged from one week to one year.</p> <p>Id. at GOOG-WRD-00874353.</p> <p>Overview</p> <p>Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web. Yahoo!, one of the first comprehensive and popular navigational services for the Web, was developed and made available in 1994 by the Company's founders, David Filo and Jerry Yang, while they were graduate students at Stanford University. The Company believes that by providing an intuitive, context-based guide to Web content, Yahoo! has played a significant role in the development and growth in usage of the Web. As a result, the Company believes that Yahoo! has achieved a strong, globally prominent brand presence among Web users and is one of the most visible and recognizable names generally associated with the Internet. The Company estimates that Yahoo! averaged in excess of 1 million visits and 7 million page views per day in February 1996. The Company believes that by providing a branded "navigational gateway" to Internet resources and a familiar context for user navigation of the Web, Yahoo! is well-positioned to capitalize on the emergence of the Web as a new advertising mass medium.</p>

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	<p data-bbox="573 296 971 323">Id. at GOOG-WRD-00874357.</p> <p data-bbox="605 369 813 390">Navigation and Context</p> <p data-bbox="573 394 1430 753">The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users seeking information and for content providers attempting to reach their target audience. Because information and content are made available on the Web through decentralized and independent network servers, the Web inherently lacks means for users to place Web site information in a broader context by source, subject matter, geography, quality or other factors. As a result, a number of tools have emerged to provide context, including Web directories and Web-wide search engines, which are made available from a Web site and accessible to users with a Web browser. Web directories are manually compiled hypertext listings of Web sites organized into predetermined subject areas, which enable users to locate relevant Web sites based on a specific topic of interest. Directories may include summaries or reviews of listed Web sites. Search engines offer users the ability to search Web sites based upon words or phrases relating to the user's inquiry and typically use automated software that "crawls" the Web to continuously capture and store text from Web sites. The text is then indexed to provide immediate retrieval of relevant Web site listings that match words or phrases specified by the user. The Company believes that in order to optimize the process of navigating the Web and to provide better context for Web information, users increasingly require navigational tools and services that integrate these different search methods.</p> <p data-bbox="573 795 1011 823">Id. at GOOG-WRD-00874357-58.</p> <p data-bbox="589 873 708 894">Yahoo! Today</p> <p data-bbox="589 898 1430 968">Yahoo! was first developed and made available in 1994 by the Company's founders, David Filo and Jerry Yang, while they were graduate students at Stanford University, and became the first widely used navigational guide available for the Internet.</p> <p data-bbox="589 972 1430 1283">The Company believes that Yahoo! currently is among the most widely used Internet navigational services available and that Yahoo! currently enjoys the strongest brand presence among offerings in this category. The Company estimates that Yahoo! averaged in excess of 1 million visits (defined as individual user sessions), 7 million page views (defined as electronic page displays) and 12 million file accesses or "hits" (defined as client file requests, several of which may be made for each single page viewed) per day in February 1996; these levels represented increases from approximately 546,000 visits, approximately 3 million page views and approximately 5 million file accesses per day in September 1995. The Company believes that Internet users generally view Yahoo! as independent, comprehensive, intuitive, user-friendly, fast, fun and current. Yahoo! has been recognized with a number of industry awards, including the "Best of the Internet" and "Best Internet Service" awards at Internet World in April 1995 and "Best of the Net" for Internet Navigation as determined by GNN in December 1995. As an indication of the strength of the Yahoo! brand, the Company also has received hundreds of citations and references per month in newspapers and popular publications, including features in business and general interest publications.</p> <p data-bbox="589 1287 1430 1402">The Company believes that Yahoo! also has achieved a preeminent position among Web content and service providers as a means to make Web users aware of their content offerings. As a result, Yahoo! receives an average of 3,000 new Web site listing submissions per day. Yahoo! now encompasses over 230,000 individual Web site listings, substantially all of which have been submitted by Web site providers.</p> <p data-bbox="573 1444 971 1472">Id. at GOOG-WRD-00874359.</p> <ul data-bbox="573 1518 1430 1881" style="list-style-type: none"> <li data-bbox="573 1518 1430 1759">• Intuitive and Easy to Use. Yahoo! is designed to minimize the visibility to the user of the technical elements of Web navigation. Yahoo! was the first widely used Internet navigational tool to offer a context-based directory structure, which permits users to search for information within interest-area categories. Also, the Company believes it was one of the first Internet navigational guides to offer a Web-wide search engine that is seamlessly integrated with a directory service, which effectively combines hierarchical, subject matter listings with broad text-based indexing in a manner that is transparent to the end user. Yahoo! offers these services free of charge to Web users. <li data-bbox="573 1770 1430 1881">• Comprehensive, Context-Based Orientation. Yahoo! currently organizes over 230,000 Internet destinations under 14 principal categories and approximately 16,000 hierarchically organized subcategories, with Web sites appearing in multiple subcategories as appropriate. The Company's context-based orientation enables

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	<p>users to search for information on the Internet both through browsing within subject areas as well as through word-based searching of directory listings, including searches that are limited to narrow context categories. In addition, the Company's integrated search technology allows context-based Web-wide searching among millions of Web pages.</p> <p>Id. at GOOG-WRD-00874359-60.</p> <p>• Responsive and Scalable Technology Architecture. The Company believes that <i>Yahoo!</i> has achieved a high level of user satisfaction by implementing and optimizing state-of-the-art Web server and communications technologies. The Company has engineered the hierarchical <i>Yahoo!</i> database structure and directory search features to provide rapid user response times even with low bandwidth connections, and to permit growth in the size of the <i>Yahoo!</i> directory listings while maximizing performance. The Company's open and scalable architecture also has enabled <i>Yahoo!</i> to incorporate advanced search engine, database and communications technologies to make the user experience more productive and enjoyable.</p> <p>Id. at GOOG-WRD-00874360.</p>
<p>[b] searching, based upon the received search argument, a first database having data network related information to generate search results;</p>	<p>The Yahoo Form SB-2 discloses searching, based upon the received search argument, a first database having data network related information to generate search results.</p> <p>Competition</p> <p>The market for Internet products and services is highly competitive and competition is expected to continue to increase significantly. In addition, the Company expects the market for Web-based advertising, to the extent it develops, to be intensely competitive. There are no substantial barriers to entry, and the Company expects that competition will continue to intensify. Although the Company believes that the diverse segments of the Internet market will provide opportunities for more than one supplier of products and services similar to those of the Company, it is possible that a single supplier may dominate one or more market segments. The Company competes with other providers of Internet navigational tools and services, including directory and Web site review services and search engine services. Many companies offer competitive products or services addressing certain of the Company's target markets, including, among others, AOL (Web Crawler), Architext Software, Inc. (Excite), Digital Equipment Corporation (Alta Vista), Infoseek Corporation (InfoGuide), Lycos, Inc. (Lycos and A2Z), The McKinley Group (Magellan), MCI/NewsCorp (I-Guide) and Open Text Corporation (Open Text Index). In addition, the Company competes with metasearch services that allow a user to search the databases of several directories and catalogs simultaneously. The Company also competes indirectly with database vendors that offer information search and retrieval capabilities with their core database products. In the future, the Company may encounter competition from providers of Web browser software and other Internet products and services that incorporate search and retrieval features into their offerings. In addition, entities that sponsor or maintain high-traffic Web sites could develop or acquire Internet search and navigation functions that compete with those offered by the Company. Many of the Company's existing competitors, as well as a number of potential new competitors, have significantly greater financial, technical and marketing resources than the Company. In addition, to the extent that smaller providers of Internet navigational tools and services may be acquired by or enter into other commercial relationships with larger, well-established and well-financed companies, such as Microsoft or Netscape, the Company could face greater competition, and consequently the Company's business, results of operations and financial condition could be adversely affected.</p> <p>Id. at GOOG-WRD-00874342.</p>

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	<p data-bbox="605 258 800 279">Content Development</p> <p data-bbox="583 285 1437 585">A key element of the Company's strategy involves the implementation of <i>Yahoo!</i> branded media properties targeted for interest areas, demographic groups and geographic areas. In these efforts, the Company has relied and will continue to rely substantially on content development and localization efforts of third parties. For example, the Company has licensed Ziff-Davis to develop two online publications and a print magazine under the <i>Yahoo!</i> brand. The Company also expects to rely exclusively on third party affiliates, including SOFTBANK in Japan and Rogers Communications ("Rogers") in Canada, to localize, maintain and promote these services and to sell advertising in local markets. There can be no assurance that the Company's current or future third-party affiliates will effectively implement these properties, or that their efforts will result in significant revenue to the Company. Any failure of these parties to develop and maintain high-quality and successful media properties also could result in dilution to the <i>Yahoo!</i> brand, which could have a material adverse effect on the Company's business, results of operations and financial condition. See "Business — Products and Media Properties — Targeted Online Properties — Geographic Areas."</p> <p data-bbox="573 625 1011 653">Id. at GOOG-WRD-00874340-41.</p> <p data-bbox="583 695 1437 806">The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users searching for information and for content providers attempting to reach their target audience. <i>Yahoo!</i> offers a context-based directory structure, which permits users to search for information online within interest-area categories, as well as a Web-wide search engine that is seamlessly integrated with the <i>Yahoo!</i> directory service. <i>Yahoo!</i> offers these services free of charge to Web users.</p> <p data-bbox="573 846 969 873">Id. at GOOG-WRD-00874348.</p> <p data-bbox="605 915 813 936">Navigation and Context</p> <p data-bbox="583 942 1437 1304">The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users seeking information and for content providers attempting to reach their target audience. Because information and content are made available on the Web through decentralized and independent network servers, the Web inherently lacks means for users to place Web site information in a broader context by source, subject matter, geography, quality or other factors. As a result, a number of tools have emerged to provide context, including Web directories and Web-wide search engines, which are made available from a Web site and accessible to users with a Web browser. Web directories are manually compiled hypertext listings of Web sites organized into predetermined subject areas, which enable users to locate relevant Web sites based on a specific topic of interest. Directories may include summaries or reviews of listed Web sites. Search engines offer users the ability to search Web sites based upon words or phrases relating to the user's inquiry and typically use automated software that "crawls" the Web to continuously capture and store text from Web sites. The text is then indexed to provide immediate retrieval of relevant Web site listings that match words or phrases specified by the user. The Company believes that in order to optimize the process of navigating the Web and to provide better context for Web information, users increasingly require navigational tools and services that integrate these different search methods.</p> <p data-bbox="573 1344 1011 1371">Id. at GOOG-WRD-00874357-58.</p>

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	<p>Yahoo! Today</p> <p><i>Yahoo!</i> was first developed and made available in 1994 by the Company's founders, David Filo and Jerry Yang, while they were graduate students at Stanford University, and became the first widely used navigational guide available for the Internet.</p> <p>The Company believes that <i>Yahoo!</i> currently is among the most widely used Internet navigational services available and that <i>Yahoo!</i> currently enjoys the strongest brand presence among offerings in this category. The Company estimates that <i>Yahoo!</i> averaged in excess of 1 million visits (defined as individual user sessions), 7 million page views (defined as electronic page displays) and 12 million file accesses or "hits" (defined as client file requests, several of which may be made for each single page viewed) per day in February 1996; these levels represented increases from approximately 546,000 visits, approximately 3 million page views and approximately 5 million file accesses per day in September 1995. The Company believes that Internet users generally view <i>Yahoo!</i> as independent, comprehensive, intuitive, user-friendly, fast, fun and current. <i>Yahoo!</i> has been recognized with a number of industry awards, including the "Best of the Internet" and "Best Internet Service" awards at Internet World in April 1995 and "Best of the Net" for Internet Navigation as determined by GNN in December 1995. As an indication of the strength of the <i>Yahoo!</i> brand, the Company also has received hundreds of citations and references per month in newspapers and popular publications, including features in business and general interest publications.</p> <p>The Company believes that <i>Yahoo!</i> also has achieved a preeminent position among Web content and service providers as a means to make Web users aware of their content offerings. As a result, <i>Yahoo!</i> receives an average of 3,000 new Web site listing submissions per day. <i>Yahoo!</i> now encompasses over 230,000 individual Web site listings, substantially all of which have been submitted by Web site providers.</p> <p>Id. at GOOG-WRD-00874359.</p> <p>• Responsive and Scalable Technology Architecture. The Company believes that <i>Yahoo!</i> has achieved a high level of user satisfaction by implementing and optimizing state-of-the-art Web server and communications technologies. The Company has engineered the hierarchical <i>Yahoo!</i> database structure and directory search features to provide rapid user response times even with low bandwidth connections, and to permit growth in the size of the <i>Yahoo!</i> directory listings while maximizing performance. The Company's open and scalable architecture also has enabled <i>Yahoo!</i> to incorporate advanced search engine, database and communications technologies to make the user experience more productive and enjoyable.</p> <p>Id. at GOOG-WRD-00874360.</p> <p>Yahoo! Main Site</p> <p>The Company's primary product offering is <i>Yahoo!</i> which provides an online comprehensive, intuitive and user-friendly guide to navigate the Web. <i>Yahoo!</i> includes a hierarchical, subject-based directory of Web sites, which enables Web users to locate and access desired information and services through hypertext links included in the directory. <i>Yahoo!</i> currently organizes over 230,000 Internet destinations under the following 14 principal categories: Arts, Business and Economy, Computers and Internet, Education, Entertainment, Government, Health, News, Recreation, Reference, Regional, Science, Social Science, and Society and Culture. Web sites are further organized under these major headings within approximately 16,000 hierarchical subcategories and, as appropriate, individual Web sites are referenced under multiple subcategories. Users can browse the directory listings by subject matter through a rapid keyword search request, and for more focused inquiries, a keyword search can be limited to listings within any subcategory of <i>Yahoo!</i>. The basic Web site listings are supplemented with brief descriptive commentary in many cases, and a special symbol is used to indicate listings that, in the view of the Company's editorial staff, provides unique presentation or content within its topic area. <i>Yahoo!</i> also contains a powerful and rapid Web-wide search engine licensed from Open Text. This search engine is integrated into the directory search function, so that Web-wide search results are returned to the user together with relevant listings from the <i>Yahoo!</i> directory.</p> <p>Id. at GOOG-WRD-00874361.</p>

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	<p data-bbox="586 254 781 275">Technology Alliance</p> <p data-bbox="586 279 1437 522">In connection with the Company's license of the Open Text Web-wide search engine, the Company has established a relationship with Open Text to jointly develop and improve Web-wide search engine capabilities for <i>Yahoo!</i>. The Company's engineering personnel work closely with Open Text to optimize and better integrate the Open Text technology into <i>Yahoo!</i> and other properties. Under the agreement with Open Text, the Company has agreed for a limited period to share revenues from advertising on pages returning results from Web-wide searches using the Open Text engine. As part of its relationship with the Company, Open Text has established its Web-wide search engine and database on a server operating on the same local area network as the Company's server in order to provide faster performance for queries originating from the <i>Yahoo!</i> directory. The Company's licenses to Open Text's Web-wide search engine and database are non-exclusive and perpetual, subject to payment of certain annual maintenance fees.</p> <p data-bbox="573 562 969 590">Id. at GOOG-WRD-00874365.</p> <p data-bbox="581 638 1437 747">The Company has developed a set of proprietary database tools that it uses to maintain and update directory listings on <i>Yahoo!</i> and other directory properties. Substantially all of the listings on <i>Yahoo!</i> are submitted by Web site developers. The Company's "surfers" review submissions and categorize them into appropriate category headings. The Company also uses automated systems to regularly check Web sites in the <i>Yahoo!</i> directory listings, and to remove sites that are no longer available.</p> <p data-bbox="581 758 1437 869"><i>Yahoo!</i> includes an internally developed responsive keyword search function that is used to locate listings within the directory. This search function not only returns relevant Web site listings but also appropriate category headings, which link to further listings that may be relevant to the user's query. In establishing other media properties, including international versions of <i>Yahoo!</i>, the Company intends to license its directory and search tools to affiliates that will operate and maintain these properties.</p> <p data-bbox="581 882 1437 1119">The Company utilizes Web-wide searching technology from Open Text pursuant to a perpetual, worldwide, non-exclusive license. Open Text's search engine technology utilizes a "string search" algorithm that enables a user to search for strings of data of arbitrary length, whether partial words, complete words or phrases. Open Text's search technology is scalable, which enables a search to be conducted simultaneously across a number of databases. Accordingly, Open Text's search technology is designed to deliver consistent response times despite an increase in the amount of data and number of databases searched. As part of its relationship with the Company, Open Text has established its Web-wide search engine and database on a server operating on the same local area network as the Company's servers in order to provide faster performance for queries originating from the <i>Yahoo!</i> directory.</p> <p data-bbox="581 1129 1437 1308">Due to the complexities of the Open Text technology, the Company remains substantially dependent upon ongoing maintenance and technical support from Open Text to ensure effective operation of the search engine. The Company also depends upon its joint efforts with Open Text to design and implement improvements to the integration of the search engine within <i>Yahoo!</i>, which the Company believes will be an important factor in the Company's future ability to compete favorably with other Internet navigational guides. Any failure of Open Text to provide prompt and effective support and maintenance to the Company, or to effectively participate in any such improvements, could have a material adverse effect on the Company's business, results of operations and financial condition.</p> <p data-bbox="573 1352 1011 1379">Id. at GOOG-WRD-00874368-69.</p>

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	<p>Competition</p> <p>The market for Internet products and services is highly competitive and competition is expected to continue to increase significantly. In addition, the Company expects the market for Web-based advertising, to the extent it develops, to be intensely competitive. There are no substantial barriers to entry, and the Company expects that competition will continue to intensify. Although the Company believes that the diverse segments of the Internet market will provide opportunities for more than one supplier of products and services similar to those of the Company, it is possible that a single supplier may dominate one or more market segments. The Company competes with other providers of Internet navigational tools and services, including directory and Web site review services and search engine services. Many companies offer competitive products or services addressing certain of the Company's target markets, including AOL (Web Crawler), Architext Software, Inc. (Excite), Digital Equipment Corporation (Alta Vista), Infoseek Corporation (InfoGuide), Lycos, Inc. (Lycos and A2Z), The McKinley Group (Magellan), MCI/NewsCorp (I-Guide) and Open Text Corporation (Open Text Index). In addition, the Company competes with metasearch services that allow a user to search the databases of several directories and catalogs simultaneously. The Company also competes indirectly with database vendors that offer information search and retrieval capabilities with their core database products. In the future, the Company may encounter competition from providers of Web browser software and other Internet products and services that incorporate search and retrieval features into their offerings. In addition, entities that sponsor or maintain high-traffic Web sites could develop or acquire Internet search and navigation functions that compete with those offered by the Company. Many of the Company's existing competitors, as well as a number of potential new competitors, have significantly greater financial, technical and marketing resources than the Company. In addition, to the extent that smaller providers of Internet navigational tools and services may be acquired by or enter into other commercial relationships with larger, well-established and well-financed companies, such as Microsoft or Netscape, the Company could face greater competition and consequently the Company's business, results of operations and financial condition could be adversely affected.</p> <p>Id. at GOOG-WRD-00874369.</p>
<p>[c] correlating the received search argument to a particular advertisement in a second database having advertisement related information; and</p>	<p>The Yahoo Form SB-2 discloses correlated the received search argument to a particular advertisement in a second database having advertisement related information.</p> <p>The Company has established strategic alliances with prominent content, technology, distribution and financial partners, including Ziff-Davis Publishing Company, Reuters New Media, Open Text Corporation, SOFTBANK, Rogers Communications, Sequoia Capital and The Capital Group. SOFTBANK, one of the Company's principal shareholders, has agreed to make an additional equity investment of \$63.75 million in the Company, which will close in March 1996. The Yahoo! main site hosts over 70 advertisers in March 1996, including American Express Company, Apple Computer, Colgate-Palmolive, Lexus, MCI Communications Corp. and VISA. The Company's navigational guide is featured in a number of online and Internet access services and leading Web sites, including CompuServe/Spry, Global Network Navigator (a subsidiary of America Online, Inc.), Intuit's Quicken Financial Network, The Microsoft Network, the Netscape Communications Corporation directory and search pages and Pacific Bell Internet.</p> <p>Id. at GOOG-WRD-00874335.</p>

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	<p data-bbox="586 254 1104 277">Management of Potential Growth; New Management Team</p> <p data-bbox="586 279 1435 856">The Company's recent growth has placed, and is expected to continue to place, a significant strain on its managerial, operational and financial resources. To manage its potential growth, the Company must continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Nearly all of the Company's senior management has joined the Company within the last nine months. These individuals have not previously worked together and are in the process of integrating as a management team. The Company is seeking a Vice President of Development and Operations and, although the Company intends to fill this position in the first half of 1996, there can be no assurance that the Company will be able to do so. The Company also intends to establish mirror, or duplicate, sites in other geographic locations, which will create additional operational and management complexities, including the need for continual updating and maintenance of directory listings among geographically dispersed network servers. The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, NetGravity, Inc. ("NetGravity"), for its advertising rotation and scheduling functions. To the extent that any extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company may be exposed to "make good" obligations with its advertising customers, which, by displacing advertising inventory, could have a material adverse effect on the Company's business, results of operations and financial condition. There can be no assurance that the Company will be able to effectively manage the expansion of its operations, that the Company's systems, procedures or controls will be adequate to support the Company's operations or that Company management will be able to achieve the rapid execution necessary to fully exploit the market opportunity for the Company's products and media properties. Any inability to manage growth, if any, effectively could have a material adverse effect on the Company's business, results of operations and financial condition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business — Employees and Management of Growth."</p> <p data-bbox="573 898 969 928">Id. at GOOG-WRD-00874343.</p> <p data-bbox="581 972 1435 1394">Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>, through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers.</p> <p data-bbox="573 1432 969 1461">Id. at GOOG-WRD-00874358.</p> <ul data-bbox="586 1507 1435 1776" style="list-style-type: none"> • Establish Branded Properties in Targeted Markets. The Company believes that, as Internet users move beyond an initial phase of general exploration, they look for ways to explore specific areas of interest in greater depth. The Company intends to capitalize on this trend by developing a global family of branded media properties in targeted subject, demographic and geographic areas. Examples of targeted online properties currently under development include <i>Yahoo! Computing</i>, a directory focused on computing topics; <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children; and two geographic localizations, <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>. The Company believes that extension into new properties may permit the Company to increase its user and advertising base. <p data-bbox="573 1818 969 1848">Id. at GOOG-WRD-00874361.</p>

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	<p><i>Yahoo!</i> provides a rich set of reference content from leading content providers, including real-time news (provided by Reuters New Media), stock quotes (provided by Reuters), sports scores (provided by ESPN SportsTicker) and weather information (provided by Weathermews, Inc.), which are integrated into the <i>Yahoo!</i> directory structure by subject matter. <i>Yahoo!</i> also includes a number of popular features designed to create additional interest in the service and to encourage regular user visits. These include "What's New", which lists recent additions to the directory listings, organized within <i>Yahoo!</i>'s hierarchical scheme; "What's Cool", which highlights selections by the Company's staff of particularly interesting and useful Web sites; "What's Popular", which lists the top 50 most popular <i>Yahoo!</i> categories and files for a recent period; "Random Link", which directs the user to a Web site randomly selected from the directory; and "Web Launch", which provides a showcase for significant new Web sites, for which site developers pay a sponsorship fee. <i>Yahoo!</i> also maintains extensive hypertext links to Web sites about current events and issues of interest, such as elections, holidays, political issues and major weather conditions, organized in a topical format and updated regularly. Through its agreement with Ziff-Davis, <i>Yahoo!</i> provides its customers with editorial insight, including reviews, on Web sites through print and online versions of <i>Yahoo! Internet Life</i>.</p> <p>Id. at GOOG-WRD-00874362.</p> <p>Targeted Online Properties</p> <p>The comprehensive subject-based, demographic and geographic listings in <i>Yahoo!</i> provide a platform for the Company to develop and offer independent navigational tools and other media properties that are targeted to particular interests and Web users. The Company intends to do so by working with appropriate strategic partners who will develop localized or targeted listings, create additional content and promote and sell advertising. The Company believes that, if implemented successfully, these media properties will further strengthen customer loyalty to the <i>Yahoo!</i> brand and will create additional revenue opportunities through a broader end user and advertiser base.</p> <p>Id. at GOOG-WRD-008742362.</p>

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	<p>Geographic Areas. The Company intends to build upon its global user base to develop navigational sites focused on geographic regions, which may include foreign countries as well as foreign and domestic major metropolitan areas. The Company believes that, although local Internet directories and search engines have been established in a number of countries outside the U.S., few, if any, significant navigational guides have been established to date that combine comprehensive global listings with a local language interface and localized listings.</p> <p>In developing geographic and regional-focused properties, the Company intends to leverage its current Web site listings in <i>Yahoo!</i> which currently contains over 50,000 listings under regional and geographic subcategories (including the main "Regional" category), including over 15,000 listings under subcategories organized by individual countries and over 35,000 listings organized by regions and cities within the United States. For localization, the Company intends to rely primarily upon the editorial efforts of third parties in such geographical areas to localize <i>Yahoo!</i> for those countries' language, customs and cultural interests, and to maintain Web site listings that are relevant to the country or metropolitan areas, which listings also may be included as appropriate in the <i>Yahoo!</i> main Web site. Under this international partnering model, the Company has entered into agreements with strategic partners to develop localized versions of <i>Yahoo!</i> for Japan and Canada.</p> <p><i>Yahoo! Japan</i>, is currently under development through a proposed joint venture between the Company and SOFTBANK, one of the Company's principal shareholders. SOFTBANK is Japan's largest distributor of computer software, peripherals and systems, as well as Japan's largest publisher of computer-related magazines and books. SOFTBANK's U.S. subsidiaries and joint ventures include SOFTBANK COMDEX Inc. and SOFTBANK Expositions and Conference Co., Inc. SOFTBANK also recently acquired Ziff-Davis. <i>Yahoo! Japan</i> is expected to include a Japanese language interface of directory categories, Japanese language search capabilities and additional listings for Japanese Web sites. The Company anticipates that <i>Yahoo! Japan</i> will be made available on servers located in Japan in mid-1996.</p> <p><i>Yahoo! Canada</i>, which is scheduled to be available in mid-1996, will be operated by Rogers Multi-Media, Inc., a division of Rogers Communications, one of the largest telecommunications and media companies in Canada. Rogers' media holdings include such properties as <i>Macleans</i>, the <i>Sun</i> newspaper chain and the <i>Financial Post</i>. Rogers has also agreed to feature <i>Yahoo! Canada</i> as part of a high-bandwidth cable modem access service under development by Rogers. The Company anticipates that <i>Yahoo! Canada</i> may provide a means for the Company to experiment with service improvements that may be made possible in high-bandwidth networks, which are anticipated to become available in the United States in the near future.</p> <p>The Company currently is in preliminary discussions with a number of other potential international affiliates for <i>Yahoo!</i> primarily in Western Europe and Australia, although no agreements currently are under negotiation with any such parties. The Company's ability to successfully establish geographically and regionally focused Internet guides, including <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, will depend substantially upon the efforts of local third party affiliates for localization, content creation, promotion, advertising sales and other activities. There can be no assurance that the Company will be able to locate or achieve satisfactory agreements with any such third parties, that the efforts of such third parties will be successful or that localizations will result in significant revenue to the Company.</p> <p>Id. at GOOG-WRD-00874363.</p> <p>Subject-Based Areas. The Company has identified opportunities to develop additional Internet navigational guides and services that are focused by subject area. For example, as part of its relationship with Ziff-Davis, the Company has licensed certain portions of the <i>Yahoo!</i> directory listings and structure to Ziff-Davis for the development of <i>Yahoo! Computing</i>, a Web directory focused on computing topics, which is scheduled for launch in mid-1996. Ziff-Davis, one of the leading providers of news and editorial content about the computing industry, will operate <i>Yahoo! Computing</i> and will provide additional editorial content and navigational features relating to the computing industry. <i>Yahoo! Computing</i> will be promoted throughout the <i>Yahoo!</i> main site computing subdirectory. The Company intends to enter into similar relationships with other leading content providers to develop additional navigational tools and services focused on interest areas that are expected to be desirable advertising vehicles. These interest areas may include, among others, travel, music and personal finance, although no projects are currently in development in these areas.</p> <p>Id. at GOOG-WRD-00874363-64.</p>

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	<p data-bbox="597 254 850 275">Demographic Interest Areas</p> <p data-bbox="581 279 1430 501">The Company also intends to develop additional Internet navigational tools and services that are focused on specific demographic or age groups, which the Company believes may provide attractive advertising opportunities. As an example of this kind of arrangement, the Company recently announced <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children aged eight to 14, which will be a guide that will initially include over 1,500 Web sites that have been selected by professional educators as appropriate for children, and which will be organized into eight major subcategories. This property, which is being developed by the Company in collaboration with Ingenius, a private company affiliated with Reuters New Media and TeleCommunications, Inc. ("TCI"), will be promoted through <i>Yahoo!</i>. The Company also has identified other potential demographic focus areas, such as retirement, family, and college students, although no projects are currently in development in these areas.</p> <p data-bbox="573 539 969 569">Id. at GOOG-WRD-00874364.</p> <p data-bbox="597 613 773 634">Advertising Pricing</p> <p data-bbox="581 638 1430 1010">Advertising on <i>Yahoo!</i> currently consists primarily of banner advertisements that appear on the top of directory pages within the <i>Yahoo!</i> main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>. The Company's standard rates for banner advertisements currently range from \$0.02 to \$0.05 per impression, depending upon location of the advertisement within <i>Yahoo!</i> and the extent to which the advertisement is targeted for particular context areas. The Company may provide discounts from standard rates for longer term contracts. The Company also offers context-based keyword advertising, which permits advertisers to target users based upon specified keywords that a user enters when searching within <i>Yahoo!</i>. For example, if a user enters the term "automobile" or "car", an automobile manufacturer's advertisement could appear on pages displaying the results of such a search. The Company's standard rate, for context-based keyword advertisements currently range from \$0.03 to \$0.06 per impression. Because the Internet is new and still developing as an advertising medium, it is difficult to predict the purchasing patterns of advertisers or whether the Company's current advertising model will be successful.</p> <p data-bbox="573 1050 1011 1079">Id. at GOOG-WRD-00874366-67.</p> <p data-bbox="581 1123 1430 1234">The Company has developed a set of proprietary database tools that it uses to maintain and update directory listings on <i>Yahoo!</i> and other directory properties. Substantially all of the listings on <i>Yahoo!</i> are submitted by Web site developers. The Company's "surfers" review submissions and categorize them into appropriate category headings. The Company also uses automated systems to regularly check Web sites in the <i>Yahoo!</i> directory listings, and to remove sites that are no longer available.</p> <p data-bbox="581 1245 1430 1356"><i>Yahoo!</i> includes an internally developed responsive keyword search function that is used to locate listings within the directory. This search function not only returns relevant Web site listings but also appropriate category headings, which link to further listings that may be relevant to the user's query. In establishing other media properties, including international versions of <i>Yahoo!</i>, the Company intends to license its directory and search tools to affiliates that will operate and maintain these properties.</p> <p data-bbox="573 1396 969 1425">Id. at GOOG-WRD-00874368.</p> <p data-bbox="581 1470 1430 1629">The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, Net Gravity, for its advertising rotation and scheduling functions. To the extent that extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company could experience a material adverse effect on the Company's revenues and results of operations.</p> <p data-bbox="573 1669 969 1698">Id. at GOOG-WRD-00874369.</p>
[d] providing the search results together with the particular advertisement to the user.	The Yahoo Form SB-2 discloses provided the search results together with the particular advertisement to the user.

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	<p>The Company has established strategic alliances with prominent content, technology, distribution and financial partners, including Ziff-Davis Publishing Company, Reuters New Media, Open Text Corporation, SOFTBANK, Rogers Communications, Sequoia Capital and The Capital Group. SOFTBANK, one of the Company's principal shareholders, has agreed to make an additional equity investment of \$63.75 million in the Company, which will close in March 1996. The Yahoo! main site hosts over 70 advertisers in March 1996, including American Express Company, Apple Computer, Colgate-Palmolive, Lexus, MCI Communications Corp. and VISA. The Company's navigational guide is featured in a number of online and Internet access services and leading Web sites, including CompuServe/Spry, Global Network Navigator (a subsidiary of America Online, Inc.), Intuit's Quicken Financial Network, The Microsoft Network, the Netscape Communications Corporation directory and search pages and Pacific Bell Internet.</p> <p>Id. at GOOG-WRD-00874335.</p> <p>Management of Potential Growth; New Management Team</p> <p>The Company's recent growth has placed, and is expected to continue to place, a significant strain on its managerial, operational and financial resources. To manage its potential growth, the Company must continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Nearly all of the Company's senior management has joined the Company within the last nine months. These individuals have not previously worked together and are in the process of integrating as a management team. The Company is seeking a Vice President of Development and Operations and, although the Company intends to fill this position in the first half of 1996, there can be no assurance that the Company will be able to do so. The Company also intends to establish mirror, or duplicate, sites in other geographic locations, which will create additional operational and management complexities, including the need for continual updating and maintenance of directory listings among geographically dispersed network servers. The process of managing advertising within large, high traffic Web sites such as Yahoo! is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, NetGravity, Inc. ("NetGravity"), for its advertising rotation and scheduling functions. To the extent that any extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company may be exposed to "make good" obligations with its advertising customers, which, by displacing advertising inventory, could have a material adverse effect on the Company's business, results of operations and financial condition. There can be no assurance that the Company will be able to effectively manage the expansion of its operations, that the Company's systems, procedures or controls will be adequate to support the Company's operations or that Company management will be able to achieve the rapid execution necessary to fully exploit the market opportunity for the Company's products and media properties. Any inability to manage growth, if any, effectively could have a material adverse effect on the Company's business, results of operations and financial condition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business — Employees and Management of Growth."</p> <p>Id. at GOOG-WRD-00874343.</p> <p>Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of Yahoo!, through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers.</p> <p>Id. at GOOG-WRD-00874358.</p>

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	<p>• Establish Branded Properties in Targeted Markets. The Company believes that, as Internet users move beyond an initial phase of general exploration, they look for ways to explore specific areas of interest in greater depth. The Company intends to capitalize on this trend by developing a global family of branded media properties in targeted subject, demographic and geographic areas. Examples of targeted online properties currently under development include <i>Yahoo! Computing</i>, a directory focused on computing topics; <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children; and two geographic localizations, <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>. The Company believes that extension into new properties may permit the Company to increase its user and advertising base.</p> <p>Id. at GOOG-WRD-00874361.</p> <p><i>Yahoo!</i> provides a rich set of reference content from leading content providers, including real-time news (provided by Reuters New Media), stock quotes (provided by Reuters), sports scores (provided by ESPN SportsTicker) and weather information (provided by Weathermews, Inc.), which are integrated into the <i>Yahoo!</i> directory structure by subject matter. <i>Yahoo!</i> also includes a number of popular features designed to create additional interest in the service and to encourage regular user visits. These include "What's New", which lists recent additions to the directory listings, organized within <i>Yahoo!</i>'s hierarchical scheme; "What's Cool", which highlights selections by the Company's staff of particularly interesting and useful Web sites; "What's Popular", which lists the top 50 most popular <i>Yahoo!</i> categories and files for a recent period; "Random Link", which directs the user to a Web site randomly selected from the directory; and "Web Launch", which provides a showcase for significant new Web sites, for which site developers pay a sponsorship fee. <i>Yahoo!</i> also maintains extensive hypertext links to Web sites about current events and issues of interest, such as elections, holidays, political issues and major weather conditions, organized in a topical format and updated regularly. Through its agreement with Ziff-Davis, <i>Yahoo!</i> provides its customers with editorial insight, including reviews, on Web sites through print and online versions of <i>Yahoo! Internet Life</i>.</p> <p>Id. at GOOG-WRD-00874362.</p> <p>Targeted Online Properties</p> <p>The comprehensive subject-based, demographic and geographic listings in <i>Yahoo!</i> provide a platform for the Company to develop and offer independent navigational tools and other media properties that are targeted to particular interests and Web users. The Company intends to do so by working with appropriate strategic partners who will develop localized or targeted listings, create additional content and promote and sell advertising. The Company believes that, if implemented successfully, these media properties will further strengthen customer loyalty to the <i>Yahoo!</i> brand and will create additional revenue opportunities through a broader end user and advertiser base.</p> <p>Id. at GOOG-WRD-008742362.</p>

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	<p>Geographic Areas. The Company intends to build upon its global user base to develop navigational sites focused on geographic regions, which may include foreign countries as well as foreign and domestic major metropolitan areas. The Company believes that, although local Internet directories and search engines have been established in a number of countries outside the U.S., few, if any, significant navigational guides have been established to date that combine comprehensive global listings with a local language interface and localized listings.</p> <p>In developing geographic and regional-focused properties, the Company intends to leverage its current Web site listings in <i>Yahoo!</i> which currently contains over 50,000 listings under regional and geographic subcategories (including the main "Regional" category), including over 15,000 listings under subcategories organized by individual countries and over 35,000 listings organized by regions and cities within the United States. For localization, the Company intends to rely primarily upon the editorial efforts of third parties in such geographical areas to localize <i>Yahoo!</i> for those countries' language, customs and cultural interests, and to maintain Web site listings that are relevant to the country or metropolitan areas, which listings also may be included as appropriate in the <i>Yahoo!</i> main Web site. Under this international partnering model, the Company has entered into agreements with strategic partners to develop localized versions of <i>Yahoo!</i> for Japan and Canada.</p> <p><i>Yahoo! Japan</i>, is currently under development through a proposed joint venture between the Company and SOFTBANK, one of the Company's principal shareholders. SOFTBANK is Japan's largest distributor of computer software, peripherals and systems, as well as Japan's largest publisher of computer-related magazines and books. SOFTBANK's U.S. subsidiaries and joint ventures include SOFTBANK COMDEX Inc. and SOFTBANK Expositions and Conference Co., Inc. SOFTBANK also recently acquired Ziff-Davis. <i>Yahoo! Japan</i> is expected to include a Japanese language interface of directory categories, Japanese language search capabilities and additional listings for Japanese Web sites. The Company anticipates that <i>Yahoo! Japan</i> will be made available on servers located in Japan in mid-1996.</p> <p><i>Yahoo! Canada</i>, which is scheduled to be available in mid-1996, will be operated by Rogers Multi-Media, Inc., a division of Rogers Communications, one of the largest telecommunications and media companies in Canada. Rogers' media holdings include such properties as <i>Macleans</i>, the <i>Sun</i> newspaper chain and the <i>Financial Post</i>. Rogers has also agreed to feature <i>Yahoo! Canada</i> as part of a high-bandwidth cable modem access service under development by Rogers. The Company anticipates that <i>Yahoo! Canada</i> may provide a means for the Company to experiment with service improvements that may be made possible in high-bandwidth networks, which are anticipated to become available in the United States in the near future.</p> <p>The Company currently is in preliminary discussions with a number of other potential international affiliates for <i>Yahoo!</i> primarily in Western Europe and Australia, although no agreements currently are under negotiation with any such parties. The Company's ability to successfully establish geographically and regionally focused Internet guides, including <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, will depend substantially upon the efforts of local third party affiliates for localization, content creation, promotion, advertising sales and other activities. There can be no assurance that the Company will be able to locate or achieve satisfactory agreements with any such third parties, that the efforts of such third parties will be successful or that localizations will result in significant revenue to the Company.</p> <p>Id. at GOOG-WRD-00874363.</p> <p>Subject-Based Areas. The Company has identified opportunities to develop additional Internet navigational guides and services that are focused by subject area. For example, as part of its relationship with Ziff-Davis, the Company has licensed certain portions of the <i>Yahoo!</i> directory listings and structure to Ziff-Davis for the development of <i>Yahoo! Computing</i>, a Web directory focused on computing topics, which is scheduled for launch in mid-1996. Ziff-Davis, one of the leading providers of news and editorial content about the computing industry, will operate <i>Yahoo! Computing</i> and will provide additional editorial content and navigational features relating to the computing industry. <i>Yahoo! Computing</i> will be promoted throughout the <i>Yahoo!</i> main site computing subdirectory. The Company intends to enter into similar relationships with other leading content providers to develop additional navigational tools and services focused on interest areas that are expected to be desirable advertising vehicles. These interest areas may include, among others, travel, music and personal finance, although no projects are currently in development in these areas.</p> <p>Id. at GOOG-WRD-00874363-64.</p>

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	<p>Demographic Interest Areas</p> <p>The Company also intends to develop additional Internet navigational tools and services that are focused on specific demographic or age groups, which the Company believes may provide attractive advertising opportunities. As an example of this kind of arrangement, the Company recently announced <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children aged eight to 14, which will be a guide that will initially include over 1,500 Web sites that have been selected by professional educators as appropriate for children, and which will be organized into eight major subcategories. This property, which is being developed by the Company in collaboration with Ingenius, a private company affiliated with Reuters New Media and TeleCommunications, Inc. ("TCI"), will be promoted through <i>Yahoo!</i>. The Company also has identified other potential demographic focus areas, such as retirement, family, and college students, although no projects are currently in development in these areas.</p> <p>Id. at GOOG-WRD-00874364.</p> <p>Advertising Pricing</p> <p>Advertising on <i>Yahoo!</i> currently consists primarily of banner advertisements that appear on the top of directory pages within the <i>Yahoo!</i> main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>. The Company's standard rates for banner advertisements currently range from \$0.02 to \$0.05 per impression, depending upon location of the advertisement within <i>Yahoo!</i> and the extent to which the advertisement is targeted for particular context areas. The Company may provide discounts from standard rates for longer term contracts. The Company also offers context-based keyword advertising, which permits advertisers to target users based upon specified keywords that a user enters when searching within <i>Yahoo!</i>. For example, if a user enters the term "automobile" or "car", an automobile manufacturer's advertisement could appear on pages displaying the results of such a search. The Company's standard rate, for context-based keyword advertisements currently range from \$0.03 to \$0.06 per impression. Because the Internet is new and still developing as an advertising medium, it is difficult to predict the purchasing patterns of advertisers or whether the Company's current advertising model will be successful.</p> <p>Id. at GOOG-WRD-00874366-67.</p> <p>The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, Net Gravity, for its advertising rotation and scheduling functions. To the extent that extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company could experience a material adverse effect on the Company's revenues and results of operations.</p> <p>Id. at GOOG-WRD-00874369.</p>
Claim 2	
<p>2. A method as claimed in claim 1, wherein the step of correlating the received search argument to the particular advertisement including selecting the particular advertisement based on the received search argument and user profile data.</p>	<p>The Yahoo Form SB-2 discloses correlating the received search argument to the particular advertisement including selecting the particular advertisement based on the received search argument and user profile.</p>

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	<p>The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users searching for information and for content providers attempting to reach their target audience. <i>Yahoo!</i> offers a context-based directory structure, which permits users to search for information online within interest-area categories, as well as a Web-wide search engine that is seamlessly integrated with the <i>Yahoo!</i> directory service. <i>Yahoo!</i> offers these services free of charge to Web users.</p> <p>The Company believes that the Web represents an important new medium for sponsors to reach consumers through targeted, interactive and highly measurable advertising. A report by Forrester Research in June 1995 estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates. The Company's objective is to capitalize on this opportunity by providing the most popular and widely used guide to information on the Internet and to leverage the Company's strong brand position by developing a global family of branded media properties in targeted subject, demographic and geographic areas. The Company also intends to enhance and extend the features and functionality of the <i>Yahoo!</i> main site, continue to promote its <i>Yahoo!</i> brand and build additional alliances with strategic third party content, technology and distribution partners. By mid-1996, the Company, with its strategic partners, expects to introduce <i>Yahoo!igans!</i>, an Internet navigational guide for children ages 8 to 14; <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, localized versions of <i>Yahoo!</i>; <i>Yahoo! Computing</i>, an online guide focused on computing topics; and <i>Yahoo! Internet Life</i>, a print and online magazine which provides in-depth editorial coverage, including reviews, of particular subject areas of interest on the Internet.</p> <p>Id. at GOOG-WRD-00874335.</p> <p>Substantial Dependence Upon Third Parties</p> <p>The Company is in an early stage of development and has yet to establish substantial internal management, personnel and other resources. The Company depends substantially upon third parties for several critical elements of its business including, among others, advertising sales, technology and infrastructure, development of targeted content for localized Internet navigational guides and distribution activities.</p> <p>Id. at GOOG-WRD-00874340.</p> <p>Content Development</p> <p>A key element of the Company's strategy involves the implementation of <i>Yahoo!</i> branded media properties targeted for interest areas, demographic groups and geographic areas. In these efforts, the Company has relied and will continue to rely substantially on content development and localization efforts of third parties. For example, the Company has licensed Ziff-Davis to develop two online publications and a print magazine under the <i>Yahoo!</i> brand. The Company also expects to rely exclusively on third party affiliates, including SOFTBANK in Japan and Rogers Communications ("Rogers") in Canada, to localize, maintain and promote these services and to sell advertising in local markets. There can be no assurance that the Company's current or future third-party affiliates will effectively implement these properties, or that their efforts will result in significant revenue to the Company. Any failure of these parties to develop and maintain high-quality and successful media properties also could result in dilution to the <i>Yahoo!</i> brand, which could have a material adverse effect on the Company's business, results of operations and financial condition. See "Business — Products and Media Properties — Targeted Online Properties — Geographic Areas."</p> <p>Id. at GOOG-WRD-00874340-41.</p> <p>A key element of the Company's business strategy is the development and introduction of new <i>Yahoo!</i> branded navigational products targeted for specific interest areas, user groups with particular demographic characteristics and geographic areas. There can be no assurance that the Company will be successful in developing or introducing such products or media properties or that such products and media properties will achieve market acceptance or enhance the Company's brand name recognition. The Company depends substantially on third party efforts in the development and operation of these new media properties. Furthermore, enhancements of or improvements to <i>Yahoo!</i> or new media properties may contain undetected errors that require significant design modifications, resulting in a loss of customer confidence and user support and a decrease in the value of the Company's brand name recognition. Any failure of the Company to effectively develop and introduce these properties, or failure of such properties to achieve market acceptance, could adversely affect the Company's business, results of operations and financial condition. See "Business — Products and Media Properties."</p> <p>Id. at GOOG-WRD-00874341.</p>

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	<p>Management of Potential Growth; New Management Team</p> <p>The Company's recent growth has placed, and is expected to continue to place, a significant strain on its managerial, operational and financial resources. To manage its potential growth, the Company must continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Nearly all of the Company's senior management has joined the Company within the last nine months. These individuals have not previously worked together and are in the process of integrating as a management team. The Company is seeking a Vice President of Development and Operations and, although the Company intends to fill this position in the first half of 1996, there can be no assurance that the Company will be able to do so. The Company also intends to establish mirror, or duplicate, sites in other geographic locations, which will create additional operational and management complexities, including the need for continual updating and maintenance of directory listings among geographically dispersed network servers. The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, NetGravity, Inc. ("NetGravity"), for its advertising rotation and scheduling functions. To the extent that any extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company may be exposed to "make good" obligations with its advertising customers, which, by displacing advertising inventory, could have a material adverse effect on the Company's business, results of operations and financial condition. There can be no assurance that the Company will be able to effectively manage the expansion of its operations, that the Company's systems, procedures or controls will be adequate to support the Company's operations or that Company management will be able to achieve the rapid execution necessary to fully exploit the market opportunity for the Company's products and media properties. Any inability to manage growth, if any, effectively could have a material adverse effect on the Company's business, results of operations and financial condition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business — Employees and Management of Growth."</p> <p>Id. at GOOG-WRD-00874343.</p> <p>The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users searching for information and for content providers attempting to reach their target audience. <i>Yahoo!</i> offers a context-based directory structure, which permits users to search for information online within interest-area categories, as well as a Web-wide search engine that is seamlessly integrated with the <i>Yahoo!</i> directory service. <i>Yahoo!</i> offers these services free of charge to Web users.</p> <p>The Company believes that the Web represents an important new medium for sponsors to reach consumers through targeted, interactive and highly measurable advertising. A report by Forrester Research in June 1995 estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates. The Company's objective is to capitalize on this opportunity by providing the most popular and widely used guide to information on the Internet and to leverage the Company's strong brand position by developing a global family of branded media properties in targeted subject, demographic and geographic areas. The Company also intends to enhance and extend the features and functionality of the <i>Yahoo!</i> main site, continue to promote its <i>Yahoo!</i> brand and build additional alliances with strategic third party content, technology and distribution partners. By mid-1996, the Company, with its strategic partners, expects to introduce <i>Yahoo!igans!</i>, an Internet navigational guide for children ages 8 to 14; <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, localized versions of <i>Yahoo!</i>; <i>Yahoo! Computing</i>, an online guide focused on computing topics; and <i>Yahoo! Internet Life</i>, a print and online magazine which provides in-depth editorial coverage, including reviews, of particular subject areas of interest on the Internet.</p> <p>Id. at GOOG-WRD-00874348.</p> <p>The rapidly increasing number of Web users and ubiquitous access to the Web, both in the United States and internationally, have resulted in the emergence of the Web as a new mass communications medium. The minimal cost required to publish content on the Web, relative to traditional publishing methods, has resulted in an explosion of Web-based content, including online magazines, news feeds and games, as well as a wealth of product, educational, entertainment and political information. The emergence of the Web also has created major opportunities for companies to advertise and promote their products and services in a targeted, interactive and multimedia environment.</p> <p>Id. at GOOG-WRD-00874357.</p>

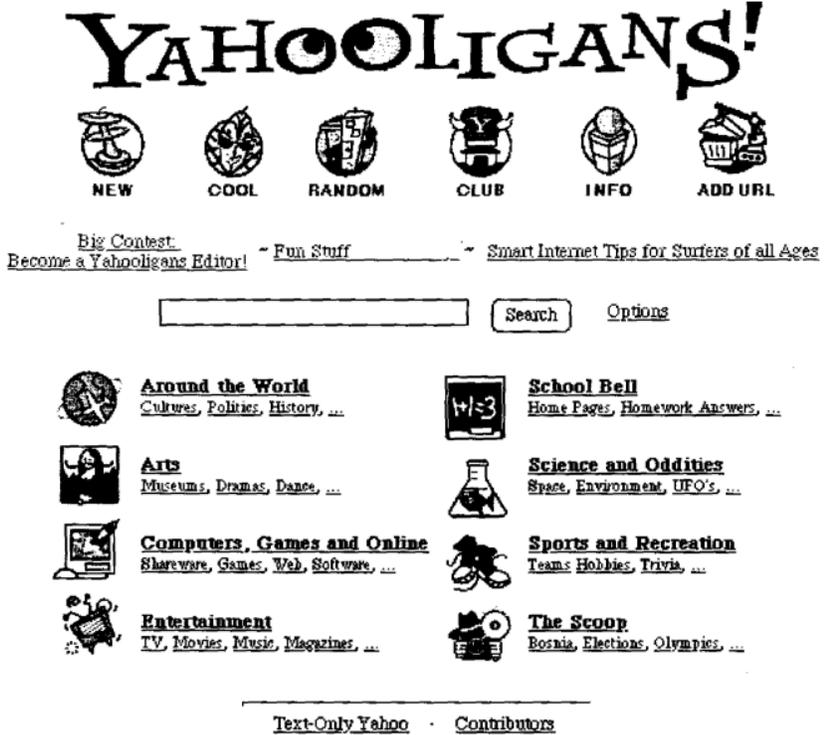
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	<p>Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>, through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers.</p> <p>Id. at GOOG-WRD-00874358.</p> <p>The Yahoo! Opportunity</p> <p>Internet navigational tools and services are uniquely positioned to capitalize on the growth of the Web as a new advertising medium, since they provide an increasingly essential means by which both new and experienced Web users locate and evaluate the vast amount of information available on the Internet. The Company believes that because navigational guides tend to be utilized regularly by Web users, these guides will experience volumes of user traffic and impressions that are among the highest on the Web. In addition, the context orientation of navigational guides permit advertisers to focus their messages towards a targeted audience based upon user interests.</p> <p>The Company believes that by providing a "navigational gateway" to Internet resources and a familiar context for regular use of the Web, <i>Yahoo!</i> is well positioned to capitalize on the emergence of the Web as a new advertising medium. The Company also believes that, by developing additional <i>Yahoo!</i> branded media properties focused on interest areas, demographic groups and geographic areas, the Company can provide advertisers with an even greater ability to target their advertising messages to relevant audiences.</p> <p>Id. at GOOG-WRD-00874358.</p> <ul style="list-style-type: none"> • Establish Branded Properties in Targeted Markets. The Company believes that, as Internet users move beyond an initial phase of general exploration, they look for ways to explore specific areas of interest in greater depth. The Company intends to capitalize on this trend by developing a global family of branded media properties in targeted subject, demographic and geographic areas. Examples of targeted online properties currently under development include <i>Yahoo! Computing</i>, a directory focused on computing topics; <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children; and two geographic localizations, <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>. The Company believes that extension into new properties may permit the Company to increase its user and advertising base. <p>Id. at GOOG-WRD-00874361.</p>

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	<p><i>Yahoo!</i> provides a rich set of reference content from leading content providers, including real-time news (provided by Reuters New Media), stock quotes (provided by Reuters), sports scores (provided by ESPN SportsTicker) and weather information (provided by Weathernews, Inc.), which are integrated into the <i>Yahoo!</i> directory structure by subject matter. <i>Yahoo!</i> also includes a number of popular features designed to create additional interest in the service and to encourage regular user visits. These include "What's New", which lists recent additions to the directory listings, organized within <i>Yahoo!</i>'s hierarchical scheme; "What's Cool", which highlights selections by the Company's staff of particularly interesting and useful Web sites; "What's Popular", which lists the top 50 most popular <i>Yahoo!</i> categories and files for a recent period; "Random Link", which directs the user to a Web site randomly selected from the directory; and "Web Launch", which provides a showcase for significant new Web sites, for which site developers pay a sponsorship fee. <i>Yahoo!</i> also maintains extensive hypertext links to Web sites about current events and issues of interest, such as elections, holidays, political issues and major weather conditions, organized in a topical format and updated regularly. Through its agreement with Ziff-Davis, <i>Yahoo!</i> provides its customers with editorial insight, including reviews, on Web sites through print and online versions of <i>Yahoo! Internet Life</i>.</p> <p>Id. at GOOG-WRD-00874362.</p> <p>Targeted Online Properties</p> <p>The comprehensive subject-based, demographic and geographic listings in <i>Yahoo!</i> provide a platform for the Company to develop and offer independent navigational tools and other media properties that are targeted to particular interests and Web users. The Company intends to do so by working with appropriate strategic partners who will develop localized or targeted listings, create additional content and promote and sell advertising. The Company believes that, if implemented successfully, these media properties will further strengthen customer loyalty to the <i>Yahoo!</i> brand and will create additional revenue opportunities through a broader end user and advertiser base.</p> <p>Id. at GOOG-WRD-00874362.</p>

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	<p>Geographic Areas. The Company intends to build upon its global user base to develop navigational sites focused on geographic regions, which may include foreign countries as well as foreign and domestic major metropolitan areas. The Company believes that, although local Internet directories and search engines have been established in a number of countries outside the U.S., few, if any, significant navigational guides have been established to date that combine comprehensive global listings with a local language interface and localized listings.</p> <p>In developing geographic and regional-focused properties, the Company intends to leverage its current Web site listings in <i>Yahoo!</i> which currently contains over 50,000 listings under regional and geographic subcategories (including the main "Regional" category), including over 15,000 listings under subcategories organized by individual countries and over 35,000 listings organized by regions and cities within the United States. For localization, the Company intends to rely primarily upon the editorial efforts of third parties in such geographical areas to localize <i>Yahoo!</i> for those countries' language, customs and cultural interests, and to maintain Web site listings that are relevant to the country or metropolitan areas, which listings also may be included as appropriate in the <i>Yahoo!</i> main Web site. Under this international partnering model, the Company has entered into agreements with strategic partners to develop localized versions of <i>Yahoo!</i> for Japan and Canada.</p> <p><i>Yahoo! Japan</i>, is currently under development through a proposed joint venture between the Company and SOFTBANK, one of the Company's principal shareholders. SOFTBANK is Japan's largest distributor of computer software, peripherals and systems, as well as Japan's largest publisher of computer-related magazines and books. SOFTBANK's U.S. subsidiaries and joint ventures include SOFTBANK COMDEX Inc. and SOFTBANK Expositions and Conference Co., Inc. SOFTBANK also recently acquired Ziff-Davis. <i>Yahoo! Japan</i> is expected to include a Japanese language interface of directory categories, Japanese language search capabilities and additional listings for Japanese Web sites. The Company anticipates that <i>Yahoo! Japan</i> will be made available on servers located in Japan in mid-1996.</p> <p><i>Yahoo! Canada</i>, which is scheduled to be available in mid-1996, will be operated by Rogers Multi-Media, Inc., a division of Rogers Communications, one of the largest telecommunications and media companies in Canada. Rogers' media holdings include such properties as <i>Macleans</i>, the <i>Sun</i> newspaper chain and the <i>Financial Post</i>. Rogers has also agreed to feature <i>Yahoo! Canada</i> as part of a high-bandwidth cable modem access service under development by Rogers. The Company anticipates that <i>Yahoo! Canada</i> may provide a means for the Company to experiment with service improvements that may be made possible in high-bandwidth networks, which are anticipated to become available in the United States in the near future.</p> <p>The Company currently is in preliminary discussions with a number of other potential international affiliates for <i>Yahoo!</i> primarily in Western Europe and Australia, although no agreements currently are under negotiation with any such parties. The Company's ability to successfully establish geographically and regionally focused Internet guides, including <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, will depend substantially upon the efforts of local third party affiliates for localization, content creation, promotion, advertising sales and other activities. There can be no assurance that the Company will be able to locate or achieve satisfactory agreements with any such third parties, that the efforts of such third parties will be successful or that localizations will result in significant revenue to the Company.</p> <p>Id. at GOOG-WRD-00874362.</p> <p>Subject-Based Areas. The Company has identified opportunities to develop additional Internet navigational guides and services that are focused by subject area. For example, as part of its relationship with Ziff-Davis, the Company has licensed certain portions of the <i>Yahoo!</i> directory listings and structure to Ziff-Davis for the development of <i>Yahoo! Computing</i>, a Web directory focused on computing topics, which is scheduled for launch in mid-1996. Ziff-Davis, one of the leading providers of news and editorial content about the computing industry, will operate <i>Yahoo! Computing</i> and will provide additional editorial content and navigational features relating to the computing industry. <i>Yahoo! Computing</i> will be promoted throughout the <i>Yahoo!</i> main site computing subdirectory. The Company intends to enter into similar relationships with other leading content providers to develop additional navigational tools and services focused on interest areas that are expected to be desirable advertising vehicles. These interest areas may include, among others, travel, music and personal finance, although no projects are currently in development in these areas.</p> <p>Id. at GOOG-WRD-00874363-64.</p>

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	<p data-bbox="607 254 854 275">Demographic Interest Areas</p> <p data-bbox="586 279 1429 499">The Company also intends to develop additional Internet navigational tools and services that are focused on specific demographic or age groups, which the Company believes may provide attractive advertising opportunities. As an example of this kind of arrangement, the Company recently announced <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children aged eight to 14, which will be a guide that will initially include over 1,500 Web sites that have been selected by professional educators as appropriate for children, and which will be organized into eight major subcategories. This property, which is being developed by the Company in collaboration with Ingenius, a private company affiliated with Reuters New Media and TeleCommunications, Inc. ("TCI"), will be promoted through <i>Yahoo!</i>. The Company also has identified other potential demographic focus areas, such as retirement, family, and college students, although no projects are currently in development in these areas.</p> <p data-bbox="573 537 969 569">Id. at GOOG-WRD-00874364.</p> <p data-bbox="607 609 764 630">Content Alliances</p> <p data-bbox="586 634 1435 768">The Company has entered into strategic alliances with selected content providers, including Ziff-Davis and Reuters, which permit the Company to bring targeted media products to market more quickly, while avoiding the cost of producing original editorial content. The Company enters into agreements with its collaborators and third-party content providers under which the Company participates in the advertising revenues received from the publication. With respect to properties maintained by the Company, such as <i>Yahooligans!</i>, the Company typically reserves the right to sell and place advertising.</p> <p data-bbox="573 812 969 844">Id. at GOOG-WRD-00874364.</p> <p data-bbox="607 886 774 907">Advertising Pricing</p> <p data-bbox="586 911 1435 1274">Advertising on <i>Yahoo!</i> currently consists primarily of banner advertisements that appear on the top of directory pages within the <i>Yahoo!</i> main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>. The Company's standard rates for banner advertisements currently range from \$0.02 to \$0.05 per impression, depending upon location of the advertisement within <i>Yahoo!</i> and the extent to which the advertisement is targeted for particular context areas. The Company may provide discounts from standard rates for longer term contracts. The Company also offers context-based keyword advertising, which permits advertisers to target users based upon specified keywords that a user enters when searching within <i>Yahoo!</i>. For example, if a user enters the term "automobile" or "car", an automobile manufacturer's advertisement could appear on pages displaying the results of such a search. The Company's standard rate, for context-based keyword advertisements currently range from \$0.03 to \$0.06 per impression. Because the Internet is new and still developing as an advertising medium, it is difficult to predict the purchasing patterns of advertisers or whether the Company's current advertising model will be successful.</p> <p data-bbox="573 1312 1011 1344">Id. at GOOG-WRD-00874366-67.</p> <p data-bbox="578 1386 1427 1497">The Company has developed a set of proprietary database tools that it uses to maintain and update directory listings on <i>Yahoo!</i> and other directory properties. Substantially all of the listings on <i>Yahoo!</i> are submitted by Web site developers. The Company's "surfers" review submissions and categorize them into appropriate category headings. The Company also uses automated systems to regularly check Web sites in the <i>Yahoo!</i> directory listings, and to remove sites that are no longer available.</p> <p data-bbox="578 1509 1427 1621"><i>Yahoo!</i> includes an internally developed responsive keyword search function that is used to locate listings within the directory. This search function not only returns relevant Web site listings but also appropriate category headings, which link to further listings that may be relevant to the user's query. In establishing other media properties, including international versions of <i>Yahoo!</i>, the Company intends to license its directory and search tools to affiliates that will operate and maintain these properties.</p> <p data-bbox="573 1661 969 1692">Id. at GOOG-WRD-00874368.</p>

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	<p>Competition</p> <p>The market for Internet products and services is highly competitive and competition is expected to continue to increase significantly. In addition, the Company expects the market for Web-based advertising, to the extent it develops, to be intensely competitive. There are no substantial barriers to entry, and the Company expects that competition will continue to intensify. Although the Company believes that the diverse segments of the Internet market will provide opportunities for more than one supplier of products and services similar to those of the Company, it is possible that a single supplier may dominate one or more market segments. The Company competes with other providers of Internet navigational tools and services, including directory and Web site review services and search engine services. Many companies offer competitive products or services addressing certain of the Company's target markets, including AOL (Web Crawler), Architext Software, Inc. (Excite), Digital Equipment Corporation (Alta Vista), Infoseek Corporation (InfoGuide), Lycos, Inc. (Lycos and A2Z), The McKinley Group (Magellan), MCI/NewsCorp (I-Guide) and Open Text Corporation (Open Text Index). In addition, the Company competes with metasearch services that allow a user to search the databases of several directories and catalogs simultaneously. The Company also competes indirectly with database vendors that offer information search and retrieval capabilities with their core database products. In the future, the Company may encounter competition from providers of Web browser software and other Internet products and services that incorporate search and retrieval features into their offerings. In addition, entities that sponsor or maintain high-traffic Web sites could develop or acquire Internet search and navigation functions that compete with those offered by the Company. Many of the Company's existing competitors, as well as a number of potential new competitors, have significantly greater financial, technical and marketing resources than the Company. In addition, to the extent that smaller providers of Internet navigational tools and services may be acquired by or enter into other commercial relationships with larger, well-established and well-financed companies, such as Microsoft or Netscape, the Company could face greater competition and consequently the Company's business, results of operations and financial condition could be adversely affected.</p> <p>Id. at GOOG-WRD-00874369.</p> <p>The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, Net Gravity, for its advertising rotation and scheduling functions. To the extent that extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company could experience a material adverse effect on the Company's revenues and results of operations.</p> <p>Id. at GOOG-WRD-00874369.</p>

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	 <p>The Company believes that, as Internet users move beyond an initial phase of general exploration, they look for ways to explore specific areas of interest in greater depth. The Company intends to capitalize on this trend by developing a series of Yahoo! branded navigational products and services in targeted markets focused on subject areas, user groups with specific demographic characteristics and geographic content. For example, on March 15, 1996, the Company released <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children.</p> <p>Id. at GOOG-WRD-00874404.</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4.</p>
Claim 3	
<p>3. A method as claimed in claim 2, wherein the user profile data includes selections of the user from previous search arguments.</p>	<p>The Yahoo Form SB-2 discloses the user profile data includes selections of the user from previous search arguments.</p> <p>See claim 1[b].</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary</p>

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	skill in the art renders this claim element obvious. See, e.g.: Table B4.
Claim 4	
4. A method as claimed in claim 3, wherein the user profile data includes selections of the user from previous search results.	<p>The Yahoo Form SB-2 discloses wherein the user profile data includes selections of the user from previous search results.</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4.</p>
Claim 5	
5. A method as claimed in claim 4, wherein the user profile data includes user specified preferences.	<p>The Yahoo Form SB-2 discloses user profile data that included user specified preferences.</p> <p>The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users searching for information and for content providers attempting to reach their target audience. Yahoo! offers a context-based directory structure, which permits users to search for information online within interest-area categories, as well as a Web-wide search engine that is seamlessly integrated with the Yahoo! directory service. Yahoo! offers these services free of charge to Web users.</p> <p>The Company believes that the Web represents an important new medium for sponsors to reach consumers through targeted, interactive and highly measurable advertising. A report by Forrester Research in June 1995 estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates. The Company's objective is to capitalize on this opportunity by providing the most popular and widely used guide to information on the Internet and to leverage the Company's strong brand position by developing a global family of branded media properties in targeted subject, demographic and geographic areas. The Company also intends to enhance and extend the features and functionality of the Yahoo! main site, continue to promote its Yahoo! brand and build additional alliances with strategic third party content, technology and distribution partners. By mid-1996, the Company, with its strategic partners, expects to introduce <i>Yahoo!igans!</i>, an Internet navigational guide for children ages 8 to 14; <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, localized versions of Yahoo!; <i>Yahoo! Computing</i>, an online guide focused on computing topics; and <i>Yahoo! Internet Life</i>, a print and online magazine which provides in-depth editorial coverage, including reviews, of particular subject areas of interest on the Internet.</p> <p>Id. at GOOG-WRD-00874335.</p> <p>Substantial Dependence Upon Third Parties</p> <p>The Company is in an early stage of development and has yet to establish substantial internal management, personnel and other resources. The Company depends substantially upon third parties for several critical elements of its business including, among others, advertising sales, technology and infrastructure, development of targeted content for localized Internet navigational guides and distribution activities.</p> <p>Id. at GOOG-WRD-00874340.</p> <p>Content Development</p> <p>A key element of the Company's strategy involves the implementation of Yahoo! branded media properties targeted for interest areas, demographic groups and geographic areas. In these efforts, the Company has relied and will continue to rely substantially on content development and localization efforts of third parties. For example, the Company has licensed Ziff-Davis to develop two online publications and a print magazine under the Yahoo! brand. The Company also expects to rely exclusively on third party affiliates, including SOFTBANK in Japan and Rogers Communications ("Rogers") in Canada, to localize, maintain and promote these services and to sell advertising in local markets. There can be no</p>

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	<p>assurance that the Company's current or future third-party affiliates will effectively implement these properties, or that their efforts will result in significant revenue to the Company. Any failure of these parties to develop and maintain high-quality and successful media properties also could result in dilution to the <i>Yahoo!</i> brand, which could have a material adverse effect on the Company's business, results of operations and financial condition. See "Business — Products and Media Properties — Targeted Online Properties — Geographic Areas."</p> <p>Id. at GOOG-WRD-00874340-41.</p> <p>A key element of the Company's business strategy is the development and introduction of new <i>Yahoo!</i> branded navigational products targeted for specific interest areas, user groups with particular demographic characteristics and geographic areas. There can be no assurance that the Company will be successful in developing or introducing such products or media properties or that such products and media properties will achieve market acceptance or enhance the Company's brand name recognition. The Company depends substantially on third party efforts in the development and operation of these new media properties. Furthermore, enhancements of or improvements to <i>Yahoo!</i> or new media properties may contain undetected errors that require significant design modifications, resulting in a loss of customer confidence and user support and a decrease in the value of the Company's brand name recognition. Any failure of the Company to effectively develop and introduce these properties, or failure of such properties to achieve market acceptance, could adversely affect the Company's business, results of operations and financial condition. See "Business — Products and Media Properties."</p> <p>Id. at GOOG-WRD-00874341.</p> <p>Management of Potential Growth; New Management Team</p> <p>The Company's recent growth has placed, and is expected to continue to place, a significant strain on its managerial, operational and financial resources. To manage its potential growth, the Company must continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Nearly all of the Company's senior management has joined the Company within the last nine months. These individuals have not previously worked together and are in the process of integrating as a management team. The Company is seeking a Vice President of Development and Operations and, although the Company intends to fill this position in the first half of 1996, there can be no assurance that the Company will be able to do so. The Company also intends to establish mirror, or duplicate, sites in other geographic locations, which will create additional operational and management complexities, including the need for continual updating and maintenance of directory listings among geographically dispersed network servers. The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, NetGravity, Inc. ("NetGravity"), for its advertising rotation and scheduling functions. To the extent that any extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company may be exposed to "make good" obligations with its advertising customers, which, by displacing advertising inventory, could have a material adverse effect on the Company's business, results of operations and financial condition. There can be no assurance that the Company will be able to effectively manage the expansion of its operations, that the Company's systems, procedures or controls will be adequate to support the Company's operations or that Company management will be able to achieve the rapid execution necessary to fully exploit the market opportunity for the Company's products and media properties. Any inability to manage growth, if any, effectively could have a material adverse effect on the Company's business, results of operations and financial condition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business — Employees and Management of Growth."</p> <p>Id. at GOOG-WRD-00874343.</p>

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	<p>The rapid growth in the number of Web sites and volume of Web content presents significant challenges for users searching for information and for content providers attempting to reach their target audience. <i>Yahoo!</i> offers a context-based directory structure, which permits users to search for information online within interest-area categories, as well as a Web-wide search engine that is seamlessly integrated with the <i>Yahoo!</i> directory service. <i>Yahoo!</i> offers these services free of charge to Web users.</p> <p>The Company believes that the Web represents an important new medium for sponsors to reach consumers through targeted, interactive and highly measurable advertising. A report by Forrester Research in June 1995 estimated that the market for advertising on the Internet will reach \$74 million in 1996 and will exceed \$2 billion by the year 2000. This amount would represent approximately 1% of projected advertising expenditures in traditional print, television and radio broadcast media by the end of the decade, according to published industry estimates. The Company's objective is to capitalize on this opportunity by providing the most popular and widely used guide to information on the Internet and to leverage the Company's strong brand position by developing a global family of branded media properties in targeted subject, demographic and geographic areas. The Company also intends to enhance and extend the features and functionality of the <i>Yahoo!</i> main site, continue to promote its <i>Yahoo!</i> brand and build additional alliances with strategic third party content, technology and distribution partners. By mid-1996, the Company, with its strategic partners, expects to introduce <i>Yahoo!igans!</i>, an Internet navigational guide for children ages 8 to 14; <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, localized versions of <i>Yahoo!</i>; <i>Yahoo! Computing</i>, an online guide focused on computing topics; and <i>Yahoo! Internet Life</i>, a print and online magazine which provides in-depth editorial coverage, including reviews, of particular subject areas of interest on the Internet.</p> <p>Id. at GOOG-WRD-00874348.</p> <p>The rapidly increasing number of Web users and ubiquitous access to the Web, both in the United States and internationally, have resulted in the emergence of the Web as a new mass communications medium. The minimal cost required to publish content on the Web, relative to traditional publishing methods, has resulted in an explosion of Web-based content, including online magazines, news feeds and games, as well as a wealth of product, educational, entertainment and political information. The emergence of the Web also has created major opportunities for companies to advertise and promote their products and services in a targeted, interactive and multimedia environment.</p> <p>Id. at GOOG-WRD-00874357.</p> <p>Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>, through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers.</p> <p>Id. at GOOG-WRD-00874358.</p>

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	<p data-bbox="586 254 797 275">The Yahoo! Opportunity</p> <p data-bbox="586 281 1427 436">Internet navigational tools and services are uniquely positioned to capitalize on the growth of the Web as a new advertising medium, since they provide an increasingly essential means by which both new and experienced Web users locate and evaluate the vast amount of information available on the Internet. The Company believes that because navigational guides tend to be utilized regularly by Web users, these guides will experience volumes of user traffic and impressions that are among the highest on the Web. In addition, the context orientation of navigational guides permit advertisers to focus their messages towards a targeted audience based upon user interests.</p> <p data-bbox="586 447 1427 577">The Company believes that by providing a "navigational gateway" to Internet resources and a familiar context for regular use of the Web, <i>Yahoo!</i> is well positioned to capitalize on the emergence of the Web as a new advertising medium. The Company also believes that, by developing additional <i>Yahoo!</i> branded media properties focused on interest areas, demographic groups and geographic areas, the Company can provide advertisers with an even greater ability to target their advertising messages to relevant audiences.</p> <p data-bbox="573 619 969 648">Id. at GOOG-WRD-00874358.</p> <ul data-bbox="586 693 1427 957" style="list-style-type: none"> • Establish Branded Properties in Targeted Markets. The Company believes that, as Internet users move beyond an initial phase of general exploration, they look for ways to explore specific areas of interest in greater depth. The Company intends to capitalize on this trend by developing a global family of branded media properties in targeted subject, demographic and geographic areas. Examples of targeted online properties currently under development include <i>Yahoo! Computing</i>, a directory focused on computing topics; <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children; and two geographic localizations, <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>. The Company believes that extension into new properties may permit the Company to increase its user and advertising base. <p data-bbox="573 1001 969 1031">Id. at GOOG-WRD-00874361.</p> <p data-bbox="586 1083 1427 1417"><i>Yahoo!</i> provides a rich set of reference content from leading content providers, including real-time news (provided by Reuters New Media), stock quotes (provided by Reuters), sports scores (provided by ESPN SportsTicker) and weather information (provided by Weathernews, Inc.), which are integrated into the <i>Yahoo!</i> directory structure by subject matter. <i>Yahoo!</i> also includes a number of popular features designed to create additional interest in the service and to encourage regular user visits. These include "What's New", which lists recent additions to the directory listings, organized within <i>Yahoo!</i>'s hierarchical scheme; "What's Cool", which highlights selections by the Company's staff of particularly interesting and useful Web sites; "What's Popular", which lists the top 50 most popular <i>Yahoo!</i> categories and files for a recent period; "Random Link", which directs the user to a Web site randomly selected from the directory; and "Web Launch", which provides a showcase for significant new Web sites, for which site developers pay a sponsorship fee. <i>Yahoo!</i> also maintains extensive hypertext links to Web sites about current events and issues of interest, such as elections, holidays, political issues and major weather conditions, organized in a topical format and updated regularly. Through its agreement with Ziff-Davis, <i>Yahoo!</i> provides its customers with editorial insight, including reviews, on Web sites through print and online versions of <i>Yahoo! Internet Life</i>.</p> <p data-bbox="573 1459 969 1488">Id. at GOOG-WRD-00874362.</p> <p data-bbox="605 1533 846 1554">Targeted Online Properties</p> <p data-bbox="586 1560 1427 1715">The comprehensive subject-based, demographic and geographic listings in <i>Yahoo!</i> provide a platform for the Company to develop and offer independent navigational tools and other media properties that are targeted to particular interests and Web users. The Company intends to do so by working with appropriate strategic partners who will develop localized or targeted listings, create additional content and promote and sell advertising. The Company believes that, if implemented successfully, these media properties will further strengthen customer loyalty to the <i>Yahoo!</i> brand and will create additional revenue opportunities through a broader end user and advertiser base.</p> <p data-bbox="573 1759 969 1789">Id. at GOOG-WRD-00874362.</p>

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	<p>Geographic Areas. The Company intends to build upon its global user base to develop navigational sites focused on geographic regions, which may include foreign countries as well as foreign and domestic major metropolitan areas. The Company believes that, although local Internet directories and search engines have been established in a number of countries outside the U.S., few, if any, significant navigational guides have been established to date that combine comprehensive global listings with a local language interface and localized listings.</p> <p>In developing geographic and regional-focused properties, the Company intends to leverage its current Web site listings in <i>Yahoo!</i> which currently contains over 50,000 listings under regional and geographic subcategories (including the main "Regional" category), including over 15,000 listings under subcategories organized by individual countries and over 35,000 listings organized by regions and cities within the United States. For localization, the Company intends to rely primarily upon the editorial efforts of third parties in such geographical areas to localize <i>Yahoo!</i> for those countries' language, customs and cultural interests, and to maintain Web site listings that are relevant to the country or metropolitan areas, which listings also may be included as appropriate in the <i>Yahoo!</i> main Web site. Under this international partnering model, the Company has entered into agreements with strategic partners to develop localized versions of <i>Yahoo!</i> for Japan and Canada.</p> <p><i>Yahoo! Japan</i>, is currently under development through a proposed joint venture between the Company and SOFTBANK, one of the Company's principal shareholders. SOFTBANK is Japan's largest distributor of computer software, peripherals and systems, as well as Japan's largest publisher of computer-related magazines and books. SOFTBANK's U.S. subsidiaries and joint ventures include SOFTBANK COMDEX Inc. and SOFTBANK Expositions and Conference Co., Inc. SOFTBANK also recently acquired Ziff-Davis. <i>Yahoo! Japan</i> is expected to include a Japanese language interface of directory categories, Japanese language search capabilities and additional listings for Japanese Web sites. The Company anticipates that <i>Yahoo! Japan</i> will be made available on servers located in Japan in mid-1996.</p> <p><i>Yahoo! Canada</i>, which is scheduled to be available in mid-1996, will be operated by Rogers Multi-Media, Inc., a division of Rogers Communications, one of the largest telecommunications and media companies in Canada. Rogers' media holdings include such properties as <i>Maclean's</i>, the <i>Sun</i> newspaper chain and the <i>Financial Post</i>. Rogers has also agreed to feature <i>Yahoo! Canada</i> as part of a high-bandwidth cable modem access service under development by Rogers. The Company anticipates that <i>Yahoo! Canada</i> may provide a means for the Company to experiment with service improvements that may be made possible in high-bandwidth networks, which are anticipated to become available in the United States in the near future.</p> <p>The Company currently is in preliminary discussions with a number of other potential international affiliates for <i>Yahoo!</i> primarily in Western Europe and Australia, although no agreements currently are under negotiation with any such parties. The Company's ability to successfully establish geographically and regionally focused Internet guides, including <i>Yahoo! Japan</i> and <i>Yahoo! Canada</i>, will depend substantially upon the efforts of local third party affiliates for localization, content creation, promotion, advertising sales and other activities. There can be no assurance that the Company will be able to locate or achieve satisfactory agreements with any such third parties, that the efforts of such third parties will be successful or that localizations will result in significant revenue to the Company.</p> <p>Id. at GOOG-WRD-00874362.</p> <p>Subject-Based Areas. The Company has identified opportunities to develop additional Internet navigational guides and services that are focused by subject area. For example, as part of its relationship with Ziff-Davis, the Company has licensed certain portions of the <i>Yahoo!</i> directory listings and structure to Ziff-Davis for the development of <i>Yahoo! Computing</i>, a Web directory focused on computing topics, which is scheduled for launch in mid-1996. Ziff-Davis, one of the leading providers of news and editorial content about the computing industry, will operate <i>Yahoo! Computing</i> and will provide additional editorial content and navigational features relating to the computing industry. <i>Yahoo! Computing</i> will be promoted throughout the <i>Yahoo!</i> main site computing subdirectory. The Company intends to enter into similar relationships with other leading content providers to develop additional navigational tools and services focused on interest areas that are expected to be desirable advertising vehicles. These interest areas may include, among others, travel, music and personal finance, although no projects are currently in development in these areas.</p> <p>Id. at GOOG-WRD-00874363-64.</p>

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	<p data-bbox="607 254 854 277">Demographic Interest Areas</p> <p data-bbox="586 279 1429 499">The Company also intends to develop additional Internet navigational tools and services that are focused on specific demographic or age groups, which the Company believes may provide attractive advertising opportunities. As an example of this kind of arrangement, the Company recently announced <i>Yahooligans!</i>, a version of <i>Yahoo!</i> for children aged eight to 14, which will be a guide that will initially include over 1,500 Web sites that have been selected by professional educators as appropriate for children, and which will be organized into eight major subcategories. This property, which is being developed by the Company in collaboration with Ingenius, a private company affiliated with Reuters New Media and TeleCommunications, Inc. ("TCI"), will be promoted through <i>Yahoo!</i>. The Company also has identified other potential demographic focus areas, such as retirement, family, and college students, although no projects are currently in development in these areas.</p> <p data-bbox="573 537 969 569">Id. at GOOG-WRD-00874364.</p> <p data-bbox="607 609 764 630">Content Alliances</p> <p data-bbox="586 634 1435 768">The Company has entered into strategic alliances with selected content providers, including Ziff-Davis and Reuters, which permit the Company to bring targeted media products to market more quickly, while avoiding the cost of producing original editorial content. The Company enters into agreements with its collaborators and third-party content providers under which the Company participates in the advertising revenues received from the publication. With respect to properties maintained by the Company, such as <i>Yahooligans!</i>, the Company typically reserves the right to sell and place advertising.</p> <p data-bbox="573 812 969 842">Id. at GOOG-WRD-00874364.</p> <p data-bbox="607 886 774 909">Advertising Pricing</p> <p data-bbox="586 911 1435 1274">Advertising on <i>Yahoo!</i> currently consists primarily of banner advertisements that appear on the top of directory pages within the <i>Yahoo!</i> main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>. The Company's standard rates for banner advertisements currently range from \$0.02 to \$0.05 per impression, depending upon location of the advertisement within <i>Yahoo!</i> and the extent to which the advertisement is targeted for particular context areas. The Company may provide discounts from standard rates for longer term contracts. The Company also offers context-based keyword advertising, which permits advertisers to target users based upon specified keywords that a user enters when searching within <i>Yahoo!</i>. For example, if a user enters the term "automobile" or "car", an automobile manufacturer's advertisement could appear on pages displaying the results of such a search. The Company's standard rate, for context-based keyword advertisements currently range from \$0.03 to \$0.06 per impression. Because the Internet is new and still developing as an advertising medium, it is difficult to predict the purchasing patterns of advertisers or whether the Company's current advertising model will be successful.</p> <p data-bbox="573 1312 1011 1344">Id. at GOOG-WRD-00874366-67.</p> <p data-bbox="578 1388 1427 1499">The Company has developed a set of proprietary database tools that it uses to maintain and update directory listings on <i>Yahoo!</i> and other directory properties. Substantially all of the listings on <i>Yahoo!</i> are submitted by Web site developers. The Company's "surfers" review submissions and categorize them into appropriate category headings. The Company also uses automated systems to regularly check Web sites in the <i>Yahoo!</i> directory listings, and to remove sites that are no longer available.</p> <p data-bbox="578 1509 1427 1621"><i>Yahoo!</i> includes an internally developed responsive keyword search function that is used to locate listings within the directory. This search function not only returns relevant Web site listings but also appropriate category headings, which link to further listings that may be relevant to the user's query. In establishing other media properties, including international versions of <i>Yahoo!</i>, the Company intends to license its directory and search tools to affiliates that will operate and maintain these properties.</p> <p data-bbox="573 1661 969 1692">Id. at GOOG-WRD-00874368.</p>

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	<p>Competition</p> <p>The market for Internet products and services is highly competitive and competition is expected to continue to increase significantly. In addition, the Company expects the market for Web-based advertising, to the extent it develops, to be intensely competitive. There are no substantial barriers to entry, and the Company expects that competition will continue to intensify. Although the Company believes that the diverse segments of the Internet market will provide opportunities for more than one supplier of products and services similar to those of the Company, it is possible that a single supplier may dominate one or more market segments. The Company competes with other providers of Internet navigational tools and services, including directory and Web site review services and search engine services. Many companies offer competitive products or services addressing certain of the Company's target markets, including AOL (Web Crawler), Architext Software, Inc. (Excite), Digital Equipment Corporation (Alta Vista), Infoseek Corporation (InfoGuide), Lycos, Inc. (Lycos and A2Z), The McKinley Group (Magellan), MCI/NewsCorp (I-Guide) and Open Text Corporation (Open Text Index). In addition, the Company competes with metasearch services that allow a user to search the databases of several directories and catalogs simultaneously. The Company also competes indirectly with database vendors that offer information search and retrieval capabilities with their core database products. In the future, the Company may encounter competition from providers of Web browser software and other Internet products and services that incorporate search and retrieval features into their offerings. In addition, entities that sponsor or maintain high-traffic Web sites could develop or acquire Internet search and navigation functions that compete with those offered by the Company. Many of the Company's existing competitors, as well as a number of potential new competitors, have significantly greater financial, technical and marketing resources than the Company. In addition, to the extent that smaller providers of Internet navigational tools and services may be acquired by or enter into other commercial relationships with larger, well-established and well-financed companies, such as Microsoft or Netscape, the Company could face greater competition and consequently the Company's business, results of operations and financial condition could be adversely affected.</p> <p>Id. at GOOG-WRD-00874369.</p> <p>The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, Net Gravity, for its advertising rotation and scheduling functions. To the extent that extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company could experience a material adverse effect on the Company's revenues and results of operations.</p> <p>Id. at GOOG-WRD-00874369.</p>

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YAHOO! LIGANS!



NEW



COOL



RANDOM



CLUB



INFO



ADD URL

[Big Contest](#) ~ [Fun Stuff](#) ~ [Smart Internet Tips for Surfers of all Ages](#)
[Become a Yahoo!ligans Editor!](#)

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The Company believes that, as Internet users move beyond an initial phase of general exploration, they look for ways to explore specific areas of interest in greater depth. The Company intends to capitalize on this trend by developing a series of Yahoo! branded navigational products and services in targeted markets focused on subject areas, user groups with specific demographic characteristics and geographic content. For example, on March 15, 1996, the Company released *Yahoo!ligans!*, a version of *Yahoo!* for children.

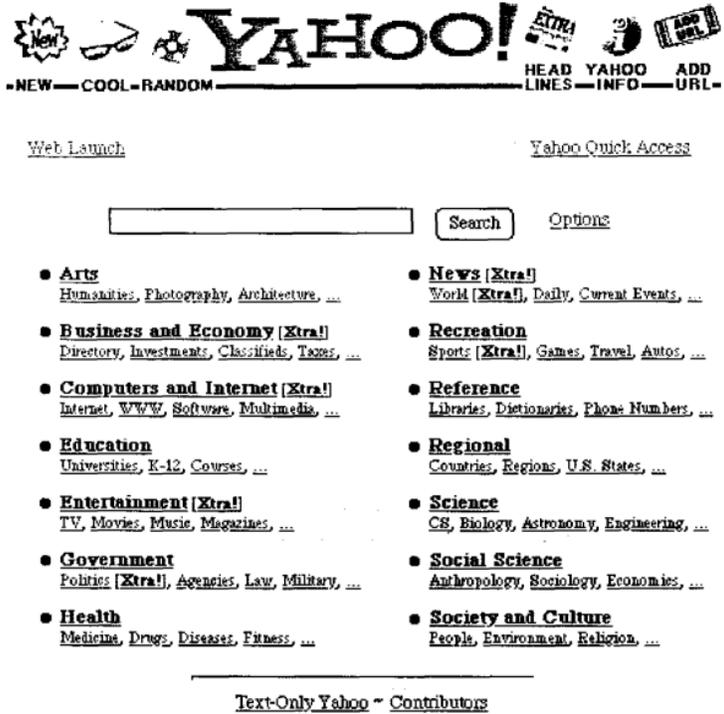
Id. at GOOG-WRD-00874404.

To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4.

Claim 6

6. A method as claimed in claim 1, wherein the step of providing the search results and the particular advertisement to the user includes displaying the search results as a page on a data processing device

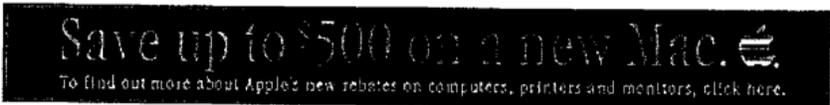
The Yahoo Form SB-2 discloses providing the search results and the particular advertisement to the user including displaying the search results as a page on a data processing device and the particular advertisement as an insert on the page.

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<p>and the particular advertisement as an insert on the page.</p>	<p>Yahoo! offers a branded Internet navigational service that is among the most widely used guides to information and discovery on the World Wide Web.</p>  <p>Id. at GOOG-WRD-00874332.</p>

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Advertising on *Yahoo!* currently consists primarily of banner advertisements that appear on the top of directory pages within the *Yahoo!* main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services.



Yahoo Form SB-2 at GOOG-WRD-00874333.



December 29, 1995 - January 19, 1996



November 15, 1995 - November 30, 1995



October 1, 1995 - October 31, 1995

In addition to banner advertising on pages in *Yahoo!*, the Company offers premium positions on the home page of *Yahoo!*, which is typically used in conjunction with promotions and special events. *Yahoo!*'s strategy is to use these sponsorship positions for high profile promotions which may also result in additional visibility and awareness for *Yahoo!*.

Id. at GOOG-WRD-00874334.

Advertising Pricing

Advertising on *Yahoo!* currently consists primarily of banner advertisements that appear on the top of directory pages within the *Yahoo!* main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of *Yahoo!*. The Company's standard rates for banner advertisements currently range from \$0.02 to \$0.05 per impression, depending upon location of the advertisement within *Yahoo!* and the extent to which the advertisement is targeted for particular context areas. The Company may provide discounts from standard rates for longer term contracts. The Company also offers context-based keyword advertising, which permits advertisers to target users based upon specified keywords that a user enters when searching within *Yahoo!*. For example, if a user enters the term "automobile" or "car", an automobile manufacturer's advertisement could appear on pages displaying the results of such a search. The Company's standard rate, for context-based keyword advertisements currently range from \$0.03 to \$0.06 per impression. Because the Internet is new and still developing as an advertising medium, it is difficult to predict the purchasing patterns of advertisers or whether the Company's current advertising model will be successful.

Id. at GOOG-WRD-00874366-67.

To the extent this reference does not teach this claim element, this

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	reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Tables B1, B2, & B3.
Claim 8	
8. A method of providing advertisements to a user searching for desired information within a data network, comprising the steps of:	The Yahoo Form SB-2 discloses providing advertisements to a user searching for desired information within a data network. <i>See Claim 1 [preamble].</i>
[a] receiving, at a server, a search request sent from a user, the search request including a search argument corresponding to the desired information;	The Yahoo Form SB-2 discloses receiving, at a server, a search request sent from a user, the search request including a search argument corresponding to the desired information. <i>The Internet and the World Wide Web</i> The Internet is a global collection of computer networks, linking millions of public and private computers around the world. Historically, the Internet was used by academic institutions and government agencies to exchange information and send and receive electronic mail. A number of factors, including the proliferation of communication-enabled personal computers, the availability of intuitive, graphical software and wide accessibility to an increasingly robust network infrastructure, have allowed widespread access to the Internet at a rapidly declining cost and have facilitated the emergence of the Web, a client/server system of hyper-linked, multimedia databases. The Web enables non-technical users to easily access information on the Internet and enables individuals or organizations to offer textual, graphical and other information directly to end-users. Users can easily access information on the Web using client software known as Web "browsers." In recent years the Web has experienced a rapid increase in the number of individual users. International Data Corporation ("IDC") has estimated that the number of Internet users will reach approximately 200 million by the end of 1999, from approximately 56 million at the end of 1995; and an October 1995 CommerceNet/Nielsen Internet Demographics Survey indicated that approximately 18 million people in the U.S. and Canada had used the Web during the three month period prior to the survey. Id. at GOOG-WRD-00874357. Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i> , through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers. Id. at GOOG-WRD-00874358.

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	<p>The Company believes that <i>Yahoo!</i> currently is among the most widely used Internet navigational services available and that <i>Yahoo!</i> currently enjoys the strongest brand presence among offerings in this category. The Company estimates that <i>Yahoo!</i> averaged in excess of 1 million visits (defined as individual user sessions), 7 million page views (defined as electronic page displays) and 12 million file accesses or "hits" (defined as client file requests, several of which may be made for each single page viewed) per day in February 1996; these levels represented increases from approximately 546,000 visits, approximately 3 million page views and approximately 5 million file accesses per day in September 1995. The Company believes that Internet users generally view <i>Yahoo!</i> as independent, comprehensive, intuitive, user-friendly, fast, fun and current. <i>Yahoo!</i> has been recognized with a number of industry awards, including the "Best of the Internet" and "Best Internet Service" awards at Internet World in April 1995 and "Best of the Net" for Internet Navigation as determined by GNN in December 1995. As an indication of the strength of the <i>Yahoo!</i> brand, the Company also has received hundreds of citations and references per month in newspapers and popular publications, including features in business and general interest publications.</p> <p>Id. at GOOG-WRD-00874359.</p> <ul style="list-style-type: none"> • Responsive and Scalable Technology Architecture. The Company believes that <i>Yahoo!</i> has achieved a high level of user satisfaction by implementing and optimizing state-of-the-art Web server and communications technologies. The Company has engineered the hierarchical <i>Yahoo!</i> database structure and directory search features to provide rapid user response times even with low bandwidth connections, and to permit growth in the size of the <i>Yahoo!</i> directory listings while maximizing performance. The Company's open and scalable architecture also has enabled <i>Yahoo!</i> to incorporate advanced search engine, database and communications technologies to make the user experience more productive and enjoyable. <p>Id. at GOOG-WRD-00874360.</p> <p>Technology Alliance</p> <p>In connection with the Company's license of the Open Text Web-wide search engine, the Company has established a relationship with Open Text to jointly develop and improve Web-wide search engine capabilities for <i>Yahoo!</i>. The Company's engineering personnel work closely with Open Text to optimize and better integrate the Open Text technology into <i>Yahoo!</i> and other properties. Under the agreement with Open Text, the Company has agreed for a limited period to share revenues from advertising on pages returning results from Web-wide searches using the Open Text engine. As part of its relationship with the Company, Open Text has established its Web-wide search engine and database on a server operating on the same local area network as the Company's server in order to provide faster performance for queries originating from the <i>Yahoo!</i> directory. The Company's licenses to Open Text's Web-wide search engine and database are non-exclusive and perpetual, subject to payment of certain annual maintenance fees.</p> <p>Id. at GOOG-WRD-00874365.</p> <p>Infrastructure, Operations and Technology</p> <p>The Company makes <i>Yahoo!</i> available to users through a set of network servers housed in Mountain View, California, operating with public domain server software that has been optimized internally by the Company to provide an efficient and responsive user experience. A third party provider, ISI, provides the Company with access to two partial T3 (45 megabit per second) Internet connections on a 24 hour a day, seven days a week basis. The Company currently intends to establish similar access points with duplicate servers in the Eastern United States, Asia and Europe in the latter half of 1996, in order to optimize access speeds for the Company's end users, and to provide redundancy in the Company's systems. Any disruption in the Internet access provided by ISI or any failure of ISI to handle higher volumes of queries could have a material adverse effect on the Company's business, results of operations and financial condition.</p> <p>Id. at GOOG-WRD-00874368.</p> <p>The Company utilizes Web-wide searching technology from Open Text pursuant to a perpetual, worldwide, non-exclusive license. Open Text's search engine technology utilizes a "string search" algorithm that enables a user to search for strings of data of arbitrary length, whether partial words, complete words or phrases. Open Text's search technology is scalable, which enables a search to be conducted simultaneously across a number of databases. Accordingly, Open Text's search technology</p>

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	<p>is designed to deliver consistent response times despite an increase in the amount of data and number of databases searched. As part of its relationship with the Company, Open Text has established its Web-wide search engine and database on a server operating on the same local area network as the Company's servers in order to provide faster performance for queries originating from the <i>Yahoo!</i> directory.</p> <p>Id. at GOOG-WRD-00874368-69.</p> <p><i>See</i> also Claim 1[a].</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See, e.g.:</i> Table B2, B7.</p>
<p>[b] searching, by the server computer based upon the received search argument, a first database to generate search results, the first database having data network related information and being contained on the server computer;</p>	<p>The Yahoo Form SB-2 discloses searching a first database to generate search results, the first database having data network related information and being contained on the server computer.</p> <p><i>See</i> Claim 1[b] and 8[a].</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See, e.g.:</i> Table B2, B7.</p>
<p>[c] correlating the received search argument to a particular advertisement in a second database having advertisement related information, the second database contained on a client computer; and</p>	<p>The Yahoo Form SB-2 discloses correlating the received search argument to a particular advertisement in a second database having advertisement related information, the second database contained on a client computer.</p> <p><i>See</i> Claim 1[c] and 8[a].</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See, e.g.:</i> Table B2, B7.</p>
<p>[d] providing the search results together with the particular advertisement to the user.</p>	<p>The Yahoo Form SB-2 discloses providing the search results together with the particular advertisement to the user.</p> <p><i>See</i> Claim 1[d].</p>
Claim 9	
<p>9. A method as claimed in claim 8, wherein the step of correlating the received search argument to the</p>	<p>The Yahoo Form SB-2 discloses correlating the received search argument to the particular advertisement by selecting the particular advertisement based on the received search argument and user profile data.</p>

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particular advertisement includes selecting the particular advertisement based on the received search argument and user profile data.	<i>See Claim 2.</i>
Claim 10	
10. A method as claimed in claim 9, wherein the user profile data is based partially upon previous search arguments of the user.	The Yahoo Form SB-2 discloses a method as claimed in claim 9, wherein the user profile data is based partially upon previous search arguments of the user. <i>See Claim 3.</i>
Claim 11	
11. A method as claimed in claim 10, wherein the user profile data is based partially upon previous search results for the user.	The Yahoo Form SB-2 discloses a method as claimed in claim 10, wherein the user profile data is based partially upon previous search results for the user. <i>See Claim 4.</i>
Claim 12	
12. A method as claimed in claim 11, wherein the user profile data includes user specified preferences.	The Yahoo Form SB-2 discloses the user profile data includes user specified preferences. <i>See Claim 5.</i>
Claim 13	
13. A method as claimed in claim 8, wherein the step of providing the search results and the particular advertisement to the user includes displaying the search results as a page on a data processing device and the particular advertisement as an insert on the page.	The Yahoo Form SB-2 discloses wherein the step of providing the search results and the particular advertisement to the user includes displaying the search results as a page on a data processing device and the particular advertisement as an insert on the page. <i>See Claim 6.</i>
Claim 14	
14. A method as claimed in	The Yahoo Form SB-2 discloses correlating the received search

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<p>claim 8, wherein the step of correlating the received search argument to a particular advertisement in the second database is performed by the client computer.</p>	<p>argument to a particular advertisement in the second database is performed by the client computer.</p> <p><i>The Internet and the World Wide Web</i></p> <p>The Internet is a global collection of computer networks, linking millions of public and private computers around the world. Historically, the Internet was used by academic institutions and government agencies to exchange information and send and receive electronic mail. A number of factors, including the proliferation of communication-enabled personal computers, the availability of intuitive, graphical software and wide accessibility to an increasingly robust network infrastructure, have allowed widespread access to the Internet at a rapidly declining cost and have facilitated the emergence of the Web, a client/server system of hyper-linked, multimedia databases. The Web enables non-technical users to easily access information on the Internet and enables individuals or organizations to offer textual, graphical and other information directly to end-users. Users can easily access information on the Web using client software known as Web "browsers." In recent years the Web has experienced a rapid increase in the number of individual users. International Data Corporation ("IDC") has estimated that the number of Internet users will reach approximately 200 million by the end of 1999, from approximately 56 million at the end of 1995; and an October 1995 CommerceNet/Nielsen Internet Demographics Survey indicated that approximately 18 million people in the U.S. and Canada had used the Web during the three month period prior to the survey.</p> <p>Id. at GOOG-WRD-00874357.</p> <p>Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>, through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers.</p> <p>Id. at GOOG-WRD-00874358.</p> <p>The Company believes that <i>Yahoo!</i> currently is among the most widely used Internet navigational services available and that <i>Yahoo!</i> currently enjoys the strongest brand presence among offerings in this category. The Company estimates that <i>Yahoo!</i> averaged in excess of 1 million visits (defined as individual user sessions), 7 million page views (defined as electronic page displays) and 12 million file accesses or "hits" (defined as client file requests, several of which may be made for each single page viewed) per day in February 1996; these levels represented increases from approximately 546,000 visits, approximately 3 million page views and approximately 5 million file accesses per day in September 1995. The Company believes that Internet users generally view <i>Yahoo!</i> as independent, comprehensive, intuitive, user-friendly, fast, fun and current. <i>Yahoo!</i> has been recognized with a number of industry awards, including the "Best of the Internet" and "Best Internet Service" awards at Internet World in April 1995 and "Best of the Net" for Internet Navigation as determined by GNN in December 1995. As an indication of the strength of the <i>Yahoo!</i> brand, the Company also has received hundreds of citations and references per month in newspapers and popular publications, including features in business and general interest publications.</p> <p>Id. at GOOG-WRD-00874359.</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary</p>

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	skill in the art renders this claim element obvious. See, e.g.: Table B2, B7.
Claim 17	
17. An advertising machine for providing advertisements to a user searching for desired information within a data network, the advertising machine comprising:	<p>The Yahoo Form SB-2 discloses including an advertising machine for providing advertisements to a user searching for desired information within a data network.</p> <p><i>See Claim 8[preamble].</i></p>
[a] a server computer coupled to the data network that receives a search request from the user, the search request including a search argument corresponding to the desired information;	<p>The Yahoo Form SB-2 discloses a server computer coupled to the data network that received a search request from the user, the search request including a search argument corresponding to the desired information.</p> <p><i>See Claim 8[a].</i></p>
[b] a database search engine coupled to the server computer that receives the search argument from the server computer and searches a first database to generate search results, the first database having data network related information and being contained on the server computer;	<p>The Yahoo Form SB-2 discloses a database search engine coupled to the server computer that received the search argument from the server computer and searched a first database to generate search results, the first database having data network related information and being contained on the server computer.</p> <p><i>See Claim 8[b].</i></p>
[c] an associative search engine coupled to the server computer that correlates the received search argument to a particular advertisement in a second database having advertisement related information, the second database contained on a client computer; and	<p>The Yahoo Form SB-2 discloses an associative search engine coupled to the server computer that correlated the received search argument to a particular advertisement in a second database having advertisement related information. The second database was contained on a client computer.</p> <p><i>See Claim 8[c].</i></p>

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[d] the server computer providing the search results together with the particular advertisement to the user.	The Yahoo Form SB-2 discloses the server computer provided the search results together with the particular advertisement to the user. <i>See Claim 8[d].</i>
Claim 18	
18. The advertising machine of claim 17, wherein the associative search engine selects the particular advertisement based on the received search argument and user profile data.	The Yahoo Form SB-2 discloses selecting the particular advertisement based on the received search argument and user profile data. <i>See Claim 2.</i>
Claim 19	
19. The advertising machine of claim 18, wherein the user profile data is based partially upon previous search arguments of the user.	The Yahoo Form SB-2 discloses the user profile data is based partially upon previous search arguments of the user. <i>See Claim 3.</i>
Claim 20	
20. The advertising machine of claim 18, wherein the user profile data is based partially upon previous search results for the user.	The Yahoo Form SB-2 discloses the user profile data is based partially upon previous search results for the user. <i>See Claim 4.</i>
Claim 21	
21. The advertising machine of claim 18, wherein the user profile data includes user specified preferences.	The user profile data used by the Yahoo Form SB-2 discloses included user specified preferences. <i>See Claim 5.</i>
Claim 22	
22. An advertising machine coupled to a data network for providing advertisements to a user,	The Yahoo Form SB-2 discloses an advertising machine coupled to a data network for providing advertisements to a user. <i>See Claim 17[preamble].</i>

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the advertising machine comprising:	
[a] a server computer coupled to the data network that receives a search request from the user, the search request including a search argument corresponding to the desired information;	<p>The Yahoo Form SB-2 discloses a server computer was coupled to the data network that received a search request from the user, the search request including a search argument corresponding to the desired information.</p> <p><i>See Claim 17[a].</i></p>
[b] a database search engine coupled to the server computer that receives the search argument from the server computer and searches a first database to generate search results, the first database having data network related information and being contained on the server computer;	<p>The Yahoo Form SB-2 discloses a database search engine coupled to the server computer that receives the search argument from the server computer and searches a first database to generate search results, the first database having data network related information and being contained on the server computer.</p> <p><i>See Claim 17[b].</i></p>
[c] an associative search engine coupled to the server computer that correlates the received search argument to a particular advertisement in a second database having advertisement related information, the second database contained on a client computer;	<p>The Yahoo Form SB-2 discloses an associative search engine coupled to the server computer that correlated the received search argument to a particular advertisement in a second database having advertisement related information, the second database contained on a client computer.</p> <p><i>See Claim 17[c].</i></p>
[d] the server computer providing the search results together with the particular advertisement to the user;	<p>The Yahoo Form SB-2 discloses the server computer used by the Yahoo Form SB-2 discloses provided the search results together with the particular advertisement to the user.</p> <p><i>See Claim 17[d].</i></p>
[e] the server computer determining whether the advertisement was	<p>The Yahoo Form SB-2 discloses the server computer determined whether the advertisement was successful.</p>

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successful; and	<p>Advertising on <i>Yahoo!</i> currently consists primarily of banner advertisements that appear on the top of directory pages within the <i>Yahoo!</i> main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services.</p>  <p>Advertising on <i>Yahoo!</i> currently consists primarily of banner advertisements that appear on the top of directory pages within the <i>Yahoo!</i> main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services.</p> <p>Potential Fluctuations in Quarterly Operating Results</p> <p>As a result of the Company's extremely limited operating history, the Company does not have historical financial data for a significant number of periods on which to base planned operating expenses. Substantially all of the Company's revenues to date have been derived from sales of advertising on <i>Yahoo!</i>, and the Company expects in the foreseeable future to derive substantially all of its revenues from advertising sales on <i>Yahoo!</i>. Quarterly revenue and operating results depend substantially upon the advertising revenues received within the quarter, which are difficult to forecast accurately. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>. To the extent that minimum impression levels are not achieved for any reason, the Company may be required to "make good" or provide additional impressions after the contract term, which may adversely affect the availability of advertising inventory. To the extent minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until guaranteed impression levels are achieved. The Company's expense levels are based in part on its expectations concerning future revenue and to a large extent are fixed. Quarterly revenues and operating results depend substantially upon the advertising revenues received within the quarter, which are difficult to forecast accurately. Accordingly, the cancellation or deferral of a small number of advertising contracts could have a material adverse effect on the Company's business, results of operations or financial condition. The Company may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall, and any significant shortfall in revenue in relation to the Company's expectations would have</p>

Yahoo Form SB-2 at GOOG-WRD-00874333.

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	<p>an immediate adverse effect on the Company's business, results of operations and financial condition. In addition, the Company plans to significantly increase its operating expenses to expand its sales and marketing operations, to fund greater levels of product development and to develop and commercialize additional media properties. To the extent that such expenses precede or are not subsequently followed by increased revenues, the Company's business, results of operations and financial condition will be materially and adversely affected.</p> <p>GOOG-WRD-00874337-38.</p> <p>To date, the Company has relied primarily upon a private independent third party sales representative firm, Interactive Marketing, Inc. ("IMI"), for the sale of advertising on <i>Yahoo!</i> and for the development and implementation of certain event promotions. The Company also will rely on Ziff-Davis Publishing Company ("Ziff-Davis") for sale of advertising to certain significant accounts. There can be no assurance that, in the future IMI, Ziff-Davis, other third party sales representatives or the Company's internal sales personnel will successfully sell advertising on <i>Yahoo!</i> or develop and implement promotions. In addition, there is intense competition in the sale of advertising on the Internet, including competition from other Internet navigational tools as well as other high-traffic sites, which has resulted in a wide range of rates quoted by different vendors for a variety of advertising services, which makes it difficult to project future levels of Internet advertising revenues that will be realized generally or by any specific company. Competition among current and future suppliers of Internet navigational services or Web sites, as well as competition with other traditional media for advertising placements, could result in significant price competition and reductions in advertising revenues. There also can be no assurance that the Company's advertising customers will accept the internal and third-party measurements of impressions received by advertisements on <i>Yahoo!</i>, or that such measurements will not contain errors. See "Business — Industry Background" and "— Advertising Sales, Promotions and Pricing."</p> <p>Id. at GOOG-WRD-00874339-40.</p> <p>Management of Potential Growth; New Management Team</p> <p>The Company's recent growth has placed, and is expected to continue to place, a significant strain on its managerial, operational and financial resources. To manage its potential growth, the Company must continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Nearly all of the Company's senior management has joined the Company within the last nine months. These individuals have not previously worked together and are in the process of integrating as a management team. The Company is seeking a Vice President of Development and Operations and, although the Company intends to fill this position in the first half of 1996, there can be no assurance that the Company will be able to do so. The Company also intends to establish mirror, or duplicate, sites in other geographic locations, which will create additional operational and management complexities, including the need for continual updating and maintenance of directory listings among geographically dispersed network servers. The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, NetGravity, Inc. ("NetGravity"), for its advertising rotation and scheduling functions. To the extent that any extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company may be exposed to "make good" obligations with its advertising customers, which, by displacing advertising inventory, could have a material adverse effect on the Company's business, results of operations and financial condition. There can be no assurance that the Company will be able to effectively manage the expansion of its operations, that the Company's systems, procedures or controls will be adequate to support the Company's operations or that Company management will be able to achieve the rapid execution necessary to fully exploit the market opportunity for the Company's products and media properties. Any inability to manage growth, if any, effectively could have a material adverse effect on the Company's business, results of operations and financial condition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business — Employees and Management of Growth."</p> <p>Id. at GOOG-WRD-00874343.</p> <p>The process of managing advertising within large, high traffic Web sites such as <i>Yahoo!</i> is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. The Company also licenses software from a third party provider, Net Gravity, for its advertising rotation and scheduling functions. To the extent that extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company could experience a material adverse effect on the Company's revenues and results of operations.</p>

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	<p data-bbox="573 254 971 285">Id. at GOOG-WRD-00874369.</p> <p data-bbox="573 327 1435 642">The Company believes that the Web represents an important new means for advertisers to reach consumers through a targeted, interactive and highly measurable medium. The Company derives substantially all of its revenues from the sale of advertisements. Advertising revenues are recognized in the period in which the advertisement is displayed, provided that no significant Company obligations remain and collection of the resulting receivable is probable. Company obligations typically include guarantees of minimum number of "impressions," or times that any advertisement appears in page views downloaded by users of <i>Yahoo!</i>. To the extent minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until guaranteed impression levels are achieved. Deferred revenue is comprised of billings in excess of recognized revenue relating to advertising contracts. The Company records advertising revenue net of any amounts allocable to third parties under the terms of revenue sharing agreements. The Company's revenues are derived principally from the sale of advertisements on short-term contracts. The Company's standard rates for advertising currently range from \$0.02 to \$0.06 per impression. To date, the duration of the Company's advertising commitments has ranged from one week to one year.</p> <p data-bbox="573 678 971 709">Id. at GOOG-WRD-00874353.</p> <p data-bbox="573 751 1435 1171">Advertisers also have recognized that Web-based advertising may be more effective in a number of respects than traditional media advertising. Because the Web involves "point-to-point" communication between a server and client that is requested by the user, rather than broad indiscriminate distribution of messages, the Web offers the potential for advertisers to present messages to specific, self-selected audiences, and to enable users to interact with advertising information presented in Web pages. This characteristic of the Web also permits advertisers to measure more precisely the number of impressions, or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>, through verification by an independent third party auditor such as Nielsen - I/PRO (Internet Profiles Corporation). Advertisers can also measure the effectiveness of advertising in generating "click-through," or user requests for additional information made by clicking on the advertiser's banner, linking the user to the advertiser's Web site. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider adoption of advanced content delivery technologies for the Web, such as Java, VRML and other multimedia enabling technologies will increase the functionality of advertising, and will make the Web an even more attractive advertising medium. The Company also believes that technological developments may result in greater ability to provide information and analysis about the effectiveness of Web advertising, the demographic profiles of users and the ability for advertisers to frequently modify their messages. This should result in more targeted, higher impact advertising opportunities, and greater integration of Web-based advertising into the range of marketing options available to advertisers.</p> <p data-bbox="573 1207 971 1239">Id. at GOOG-WRD-00874358.</p> <p data-bbox="605 1281 776 1308">Advertising Pricing</p> <p data-bbox="573 1308 1435 1675">Advertising on <i>Yahoo!</i> currently consists primarily of banner advertisements that appear on the top of directory pages within the <i>Yahoo!</i> main site. Hypertext links are embedded in each banner advertisement to provide the user with instant access to the advertiser's Web site to obtain additional information or purchase products and services. The Company's contracts with advertisers typically guarantee the advertiser a minimum number of "impressions," or times that an advertisement appears in page views downloaded by users of <i>Yahoo!</i>. The Company's standard rates for banner advertisements currently range from \$0.02 to \$0.05 per impression, depending upon location of the advertisement within <i>Yahoo!</i> and the extent to which the advertisement is targeted for particular context areas. The Company may provide discounts from standard rates for longer term contracts. The Company also offers context-based keyword advertising, which permits advertisers to target users based upon specified keywords that a user enters when searching within <i>Yahoo!</i>. For example, if a user enters the term "automobile" or "car", an automobile manufacturer's advertisement could appear on pages displaying the results of such a search. The Company's standard rate, for context-based keyword advertisements currently range from \$0.03 to \$0.06 per impression. Because the Internet is new and still developing as an advertising medium, it is difficult to predict the purchasing patterns of advertisers or whether the Company's current advertising model will be successful.</p> <p data-bbox="573 1711 1011 1743">Id. at GOOG-WRD-00874366-67.</p>

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	<p><i>Revenue recognition</i></p> <p>Advertising revenues are derived from the sale of advertising space in Yahoo!. Advertising revenues are recognized in the period the advertisement is displayed, provided that no significant Company obligations remain and collection of the resulting receivable is probable. Company obligations typically include guarantees of minimum number of "impressions," or times that any advertisement is viewed by users of Yahoo!. To the extent minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until guaranteed impression levels are achieved. For the period from March 5, 1995 (Inception) through December 31, 1995, advertising revenues represented 93% of net revenues. Revenues from the sale of certain advertising space in Yahoo! are shared with third parties under the terms of certain agreements. The Company records advertising revenues net of amounts allocable to third parties under the terms of such agreements. To date, amounts allocable to third parties have not been significant.</p> <p>Id. at GOOG-WRD-00874393.</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Tables B4 & B6.</p>
[f] the server computer altering criteria for subsequent correlations of received search arguments to the second database.	<p>The Yahoo Form SB-2 discloses the server computer altered criteria for subsequent correlations of received search arguments to the second database.</p> <p>See Claim 1[a] and [b].</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Tables B4, B6, B7.</p>
Claim 23	
23. The advertising machine of claim 22, wherein the associative search engine correlates the received search argument to the particular advertisement based on the received search argument and user profile data.	<p>The Yahoo Form SB-2 discloses correlating the received search argument to the particular advertisement based on the received search argument and the user profile data.</p> <p>See Claim 2.</p>

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Claim 1	
1. A method for operating an advertising machine	The Yahoo Form SB-2 discloses providing advertisements via a communications link to a data processing device of a user.

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implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user, the method comprising:	<i>See</i> '969 Patent Claim 1[preamble].
[a] receiving user preference input from the data processing device via the communications link;	<p>The Yahoo Form SB-2 discloses receiving user preference input from the data processing device via the communications link.</p> <p><i>See</i> '969 Patent Claims 1[a], 2 and 5.</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See, e.g.:</i> Table B4</p>
[b] creating user preference data based upon the user preference input;	<p>The Yahoo Form SB-2 discloses creating user preference data based upon the user preference input.</p> <p><i>See</i> '969 Patent Claims 1[a], 2 and 5.</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See, e.g.:</i> Table B4</p>
[c] receiving from the data processing device via the communications link a search request that includes a search argument;	<p>The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument.</p> <p><i>See</i> '969 Patent Claim 1[a].</p>
[d] searching at least one database using the search argument to produce search results;	<p>The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results.</p> <p><i>See</i> '969 Patent Claim 1[b].</p>
[e] selecting at least one advertisement from an advertisement database relating to the search argument using the user preference data; and	<p>The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database relating to the search argument using the user preference data.</p> <p><i>See</i> '969 Patent Claims 1[c], 2 and 5.</p>
[f] transmitting the search results together with the at	The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the

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least one advertisement via the communications link to the data processing device.	communications link to the data processing device. <i>See</i> '969 Patent Claim 1[d].
Claim 3	
3. The method of claim 1, further comprising ordering the search results based upon the user preference data.	The Yahoo Form SB-2 discloses ordering the search results based upon the user preference data. <i>See</i> Claim 1[a] and [b]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See</i> , e.g.: Table B4.
Claim 5	
5. The method of claim 1, further comprising:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method. <i>See</i> Claim 1.
[a] receiving user preference edit input via the communications link from the data processing device; and	The Yahoo Form SB-2 discloses receiving user preference edit input via the communications link from the data processing device. <i>See</i> Claim 1[a]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See</i> , e.g.: Table B4.
[b] modifying the user preference data based upon the user preference edit input.	The Yahoo Form SB-2 discloses modifying the user preference data based upon the user preference edit input. <i>See</i> Claim 1[b]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See</i> , e.g.: Table B4.
Claim 6	
6. The method of claim 1, further comprising:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method.

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	<i>See Claim 1.</i>
[a] receiving user preference re-prioritization input; and	<p>The Yahoo Form SB-2 discloses receiving user preference re-prioritization input.</p> <p><i>See Claim 1[a].</i></p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4.</p>
[b] re-prioritizing the user preference data based upon the user preference re-prioritization input.	<p>The Yahoo Form SB-2 discloses re-prioritizing the user preference data based upon the user preference re-prioritization input.</p> <p><i>See Claim 1[b].</i></p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4.</p>
Claim 7	
7. The method of claim 1, wherein the user preference data is derived from prior searching history.	<p>The Yahoo Form SB-2 discloses wherein the user preference data is derived from prior searching history.</p> <p><i>See '969 Patent Claims 3, 4.</i></p>
Claim 8	
8. The method of claim 1, further comprising:	<p>To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method.</p> <p><i>See Claim 1.</i></p>
[a] receiving search refinement input via the communications link from the data processing device of the user;	<p>The Yahoo Form SB-2 discloses receiving search refinement input via the communications link from the data processing device of the user.</p> <p><i>See Claim 1[c].</i></p>
[b] refining the search results based upon the search refinement input; and	<p>The Yahoo Form SB-2 discloses refining the search results based upon the search refinement input.</p> <p><i>See Claim 1[d].</i></p>
[c] transmitting the refined	The Yahoo Form SB-2 discloses transmitting the refined search

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search results via the communications link to the data processing device.	results via the communications link to the data processing device. <i>See Claim 1[f].</i>
Claim 9	
9. An advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user, the advertising machine comprising:	The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer and was operable to provide advertisements via a communications link to a data processing device of a user. <i>See Claim 1[preamble].</i>
[a] a communications interface operable to interface with the data processing device of the user via the communications link;	The Yahoo Form SB-2 discloses a communications interface operable to interface with the data processing device of the user via the communications link. <i>See Claim 1[a] and [c].</i>
[b] a database search engine operable to:	The Yahoo Form SB-2 discloses a database search engine. <i>See Claim 1[d].</i>
[c] receive from the data processing device via the communications link a search request that includes a search argument; and	The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument. <i>See Claim 1[c].</i>
[d] search at least one database using the search argument to produce search results;	The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results. <i>See Claim 1[d].</i>
[e] an associative search engine operable to:	The Yahoo Form SB-2 discloses an associative search engine. <i>See Claim 1[e].</i>
[f] receive user preference input from the data processing device via the communications link;	The Yahoo Form SB-2 discloses an associative search engine operable to receive user preference input from the data processing device via the communications link. <i>See Claim 1[a].</i>
[g] create user preference data based upon the user	The Yahoo Form SB-2 discloses an associative search engine operable to create user preference data based upon the user

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preference input; and	preference input. <i>See Claim 1[b].</i>
[h] select at least one advertisement from an advertisement database relating to the search argument using the user preference data; and	The Yahoo Form SB-2 discloses an associative search engine operable to select at least one advertisement from an advertisement database relating to the search argument using the user preference data. <i>See Claim 1[e].</i>
[i] the advertising machine operable to transmit the search results together with the at least one advertisement via the communications link to the data processing device.	The Yahoo Form SB-2 discloses the advertising machine operable to transmit the search results together with the at least one advertisement via the communications link to the data processing device. <i>See Claim 1[f].</i>
Claim 16	
16. The advertising machine of claim 9, wherein the user preference data is derived from prior searching history.	The Yahoo Form SB-2 discloses the advertising machine of claim 9, wherein the user preference data is derived from prior searching history. <i>See Claim 7.</i>
Claim 17	
17. The advertising machine of claim 9, wherein the database search engine is further operable to:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses a search engine. <i>See Claim 9.</i>
[a] receive search refinement input via the communications link from the data processing device of the user;	The Yahoo Form SB-2 discloses receiving search refinement input via the communications link from the data processing device of the user. <i>See Claim 8[a].</i>
[b] refine the search results based upon the search refinement input; and	The Yahoo Form SB-2 discloses refining the search results based upon the search refinement input. <i>See Claim 8[b].</i>
[c] transmit the refined search results via the communications link to the	The Yahoo Form SB-2 discloses transmitting the refined search results via the communications link to the data processing device.

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data processing device.	<i>See Claim 8[c].</i>

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Claim 1	
1. An advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user, the advertising machine comprising:	The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user. <i>See</i> '245 Patent Claim 9[preamble].
[a] a communications interface operable to interface with the data processing device of the user via the communications link;	The Yahoo Form SB-2 discloses a communications interface operable to interface with the data processing device of the user via the communications link. <i>See</i> '245 Patent Claim 9[a].
[b] a database search engine operable to:	The Yahoo Form SB-2 discloses a database search engine. <i>See</i> '245 Patent Claim 9[b].
[c] receive from the data processing device via the communications link a search request that includes a search argument; and	The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument. <i>See</i> '245 Patent Claim 9[c].
[d] search at least one database using the search argument to produce search results;	The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results. <i>See</i> '245 Patent Claim 9[d].
[e] an associative search engine operable to select at least one advertisement from an advertisement database based upon at least one of the search argument and the search results; and	The Yahoo Form SB-2 discloses an associative search engine operable to select at least one advertisement from an advertisement database based upon at least one of the search argument and the search results. <i>See</i> '245 Patent Claim 9[e] and [h].
[f] the advertising machine operable to:	The Yahoo Form SB-2 discloses an advertising machine. <i>See</i> '245 Patent Claim 9[i].
[g] transmit the search results together with the at least one advertisement via	The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device.

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the communications link to the data processing device;	<i>See</i> '245 Patent Claim 9[i].
[h] receive a response from the data processing device via the communications link that indicates selection of an advertisement; and	The Yahoo Form SB-2 discloses receiving a response from the data processing device via the communications link that indicates selection of an advertisement. <i>See</i> '969 Patent Claim 22[e].
[i] based upon the advertisement selection, generate a fee record.	The Yahoo Form SB-2 discloses based upon the advertisement selection, the Yahoo Form SB-2 discloses generated a fee record. <i>See</i> '969 Patent Claim 22[e]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B6
Claim 2	
2. The advertising machine of claim 1, wherein the advertising machine is further operable to extract a toll based upon the fee record.	The Yahoo Form SB-2 discloses wherein the advertising machine is further operable to extract a toll based upon the fee record. <i>See</i> '969 Patent Claim 22[e]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B6
Claim 3	
3. The advertising machine of claim 1, wherein the advertising machine is further operable to direct the data processing device to a website corresponding to the selection of the advertisement.	The Yahoo Form SB-2 discloses directing the data processing device to a website corresponding to the selection of the advertisement. <i>See</i> '969 Patent Claim 22[e]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Tables B2 & B3
Claim 4	
4. The advertising machine of claim 1, wherein the advertising machine is	The Yahoo Form SB-2 discloses wherein the advertising machine is further operable to update preference data for the user based upon the selection of the advertisement.

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further operable to update preference data for the user based upon the selection of the advertisement.	<p><i>See</i> '969 Patent Claims 2 and 5.</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. <i>See</i>, e.g.: Table B4</p>
Claim 5	
5. The advertising machine of claim 1, wherein the advertising machine is further operable to update the advertisement database based upon the selection of the advertisement.	<p>The Yahoo Form SB-2 discloses wherein the advertising machine is further operable to update the advertisement database based upon the selection of the advertisement.</p> <p><i>See</i> '969 Patent Claims 1[c], 2 and 5.</p>
Claim 7	
7. The advertising machine of claim 1, wherein the search results and the at least one advertisement are included in a web page.	<p>The Yahoo Form SB-2 discloses wherein the search results and the at least one advertisement are included in a web page.</p> <p><i>See</i> '969 Patent Claims 1[d] and 6.</p>
Claim 8	
8. The advertising machine of claim 1, wherein the associative search engine is operable to select at least one advertisement from an advertisement database based upon at least the search argument.	<p>The Yahoo Form SB-2 discloses wherein the associative search engine is operable to select at least one advertisement from an advertisement database based upon at least the search argument.</p> <p><i>See</i> '969 Patent, Claim 1[c].</p>
Claim 10	
10. An advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user, the advertising machine comprising:	<p>The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user.</p> <p><i>See</i> Claim 1[preamble].</p>
[a] a communications	The Yahoo Form SB-2 discloses a communications interface

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interface operable to interface with the data processing device of the user via the communications link;	operable to interface with the data processing device of the user via the communications link. <i>See Claim 1[a].</i>
[b] a database search engine operable to:	The Yahoo Form SB-2 discloses a database search engine. <i>See Claim 1[b].</i>
[c] receive from the data processing device via the communications link a search request that includes a search argument; and	The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument. <i>See Claim 1[c].</i>
[d] search at least one database using the search argument to produce search results;	The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results. <i>See Claim 1[d].</i>
[e] an associative search engine operable to select at least one advertisement from an advertisement database based upon at least one of the search argument and the search results; and	The Yahoo Form SB-2 discloses an associative search engine operable to select at least one advertisement from an advertisement database based upon at least one of the search argument and the search results. <i>See Claim 1[e].</i>
[f] the advertising machine operable to:	The Yahoo Form SB-2 discloses an advertising machine. <i>See Claim 1[f].</i>
[g] transmit the search results together with the at least one advertisement via the communications link to the data processing device;	The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device. <i>See Claim 1[g].</i>
[h] receive a response from the data processing device via the communications link that indicates non-selection of the at least one advertisement.	The Yahoo Form SB-2 discloses receiving a response from the data processing device via the communications link that indicates non-selection of the at least one advertisement. <i>See '969 Patent Claim 22[e].</i> To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary

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	skill in the art renders this claim element obvious. See, e.g.: Tables B4 & B6
Claim 11	
11. The advertising machine of claim 10, wherein:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses an advertising machine. <i>See</i> Claim 10.
[a] the associative search engine is further operable to select at least one differing advertisement based upon the non-selection of the at least one advertisement; and	The Yahoo Form SB-2 discloses the associative search engine is further operable to select at least one differing advertisement based upon the non-selection of the at least one advertisement. <i>See</i> '969 Patent Claim 22[e]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4
[b] the advertising machine is further operable to transmit the at least one differing advertisement via the communications link to the data processing device.	The Yahoo Form SB-2 discloses the advertising machine is further operable to transmit the at least one differing advertisement via the communications link to the data processing device. <i>See</i> '969 Patent Claim 22[e]. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Tables B2, B3, & B4
Claim 12	
12. The advertising machine of claim 10, wherein the advertising machine is further operable to update preference data for the user based upon the non-selection of the at least one advertisement.	The Yahoo Form SB-2 discloses wherein the advertising machine is further operable to update preference data for the user based upon the non-selection of the at least one advertisement. <i>See</i> Claim 4. To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4
Claim 13	
13. The advertising machine of claim 10,	The Yahoo Form SB-2 discloses wherein the advertising machine is further operable to update the advertisement database based

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<p>wherein the advertising machine is further operable to update the advertisement database based upon the non-selection of the advertisement.</p>	<p>upon the non-selection of the advertisement.</p> <p><i>See Claim 5.</i></p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4</p>
Claim 14	
<p>14. The advertising machine of claim 10, wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the communications link.</p>	<p>The Yahoo Form SB-2 discloses wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the communications link.</p> <p><i>See '969 Patent Claim 6.</i></p>
Claim 15	
<p>15. The advertising machine of claim 10, wherein the associative search engine is operable to select at least one advertisement from an advertisement database based upon at least the search argument.</p>	<p>The Yahoo Form SB-2 discloses wherein the associative search engine is operable to select at least one advertisement from an advertisement database based upon at least the search argument.</p> <p><i>See Claim 8.</i></p>
Claim 17	
<p>17. A method for operating an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user, the method comprising:</p>	<p>The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user.</p> <p><i>See Claim 1[preamble].</i></p>
<p>[a] the advertising machine receiving from the data processing device via the</p>	<p>The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument.</p>

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communications link a search request that includes a search argument;	<i>See</i> Claim 1[c].
[b] the advertising machine searching at least one database using the search argument to produce search results;	The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results. <i>See</i> Claim 1[d].
[c] the advertising machine selecting at least one advertisement from an advertisement database based upon at least one of the search argument and the search results;	The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database based upon at least one of the search argument and the search results. <i>See</i> Claim 1[e].
[d] the advertising machine transmitting the search results together with the at least one advertisement via the communications link to the data processing device;	The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device. <i>See</i> Claim 1[g].
[e] the advertising machine receiving a response from the data processing device via the communications link that indicates selection of an advertisement; and	The Yahoo Form SB-2 discloses receiving a response from the data processing device via the communications link that indicates selection of an advertisement. <i>See</i> Claim 1[h].
[f] the advertising machine generating a fee record based upon the selection of the advertisement.	The Yahoo Form SB-2 discloses generating a fee record based upon the selection of the advertisement. <i>See</i> Claim 1[i].
Claim 18	
18. The method of claim 17, further comprising the advertising machine extracting a toll based upon the fee record.	The Yahoo Form SB-2 discloses extracting a toll based upon the fee record. <i>See</i> Claim 2.
Claim 19	
19. The method of claim 17, further comprising the	The Yahoo Form SB-2 discloses directing the data processing device to a website corresponding to the selection of the

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advertising machine directing the data processing device to a website corresponding to the selection of the advertisement.	advertisement. <i>See Claim 3.</i>
Claim 20	
20. The method of claim 17, further comprising the advertising machine updating preference data for the user based upon the selection of the advertisement.	The Yahoo Form SB-2 discloses updating preference data for the user based upon the selection of the advertisement. <i>See Claim 4.</i>
Claim 21	
21. The method of claim 17, further comprising the advertising machine updating the advertisement database based upon the selection of the advertisement.	The Yahoo Form SB-2 discloses updating the advertisement database based upon the selection of the advertisement. <i>See Claim 5.</i>
Claim 23	
23. The method of claim 17, wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the communications link.	The Yahoo Form SB-2 discloses searching results and the at least one advertisement were included in a web page transmitted to the data processing device via the communications link. <i>See Claim 7.</i>
Claim 24	
24. The method of claim 17, further comprising the advertising machine selecting at least one advertisement from an advertisement database based upon at least the search argument.	The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database based upon at least the search argument. <i>See Claim 8.</i>

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Claim 26	
26. A method for operating an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user, the method comprising:	The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user. <i>See Claim 10[preamble].</i>
[a] the advertising machine receiving from the data processing device via the communications link a search request that includes a search argument;	The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument. <i>See Claim 10[c].</i>
[b] the advertising machine searching at least one database using the search argument to produce search results;	The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results <i>See Claim 10[d].</i>
[c] the advertising machine selecting at least one advertisement from an advertisement database based upon at least one of the search argument and the search results;	The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database based upon at least one of the search argument and the search results. <i>See Claim 10[e].</i>
[d] the advertising machine transmitting the search results together with the at least one advertisement via the communications link to the data processing device; and	The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device. <i>See Claim 10[g].</i>
[e] the advertising machine receiving a response from the data processing device via the communications link that indicates non-selection of the at least one advertisement.	The Yahoo Form SB-2 discloses receiving a response from the data processing device via the communications link that indicates non-selection of the at least one advertisement. <i>See Claim 10[h].</i>

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Claim 27	
27. The method of claim 26 , further comprising:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method. <i>See Claim 26.</i>
[a] the advertising machine selecting at least one differing advertisement based upon the non-selection of the at least one advertisement; and	The Yahoo Form SB-2 discloses selecting at least one differing advertisement based upon the non-selection of the at least one advertisement. <i>See Claim 11[a].</i>
[b] the advertising machine transmitting the at least one differing advertisement via the communications link to the data processing device.	The Yahoo Form SB-2 discloses transmitting the at least one differing advertisement via the communications link to the data processing device. <i>See Claim 11[b].</i>
Claim 28	
28. The method of claim 26 , further comprising the advertising machine updating preference data for the user based upon the non-selection of the at least one advertisement.	The Yahoo Form SB-2 discloses the advertising machine updating preference data for the user based upon the non-selection of the at least one advertisement. <i>See Claim 12.</i>
Claim 29	
29. The method of claim 26 , further comprising the advertising machine updating the advertisement database based upon the non-selection of the advertisement.	The Yahoo Form SB-2 discloses updating the advertisement database based upon the non-selection of the advertisement. <i>See Claim 13.</i>
Claim 30	
30. The method of claim 26 , wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the	The Yahoo Form SB-2 discloses searching results and the at least one advertisement were included in a web page transmitted to the data processing device via the communications link. <i>See Claim 14.</i>

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communications link.	
Claim 31	
31. The method of claim 26 , further comprising the advertising machine selecting at least one advertisement from an advertisement database based upon at least the search argument.	<p>The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database based upon at least the search argument.</p> <p><i>See Claim 15.</i></p>
Claim 33	
33. A server computer that is operable to provide advertisements via a communications link to a data processing device of a user, the server computer comprising:	<p>The Yahoo Form SB-2 discloses a server computer operable to provide advertisements via a communications link to a data processing device of a user.</p> <p><i>See '969 Patent Claim 1 [preamble] and [a].</i></p>
[a] at least one communications interface operable to interface with the data processing device of the user, a database search engine, and an associative search engine;	<p>The Yahoo Form SB-2 discloses at least one communications interface operable to interface with the data processing device of the user, a database search engine, and an associative search engine.</p> <p><i>See Claim 1 [a].</i></p>
[b] the server computer, using the at least one communications interface, is operable to:	<p>The Yahoo Form SB-2 discloses the server computer, using the at least one communications interface, is operable to perform the following method.</p> <p><i>See Claim 1 [b].</i></p>
[c] receive from the data processing device via the communications link a search request that includes a search argument; and	<p>The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument.</p> <p><i>See Claim 1 [c].</i></p>
[d] interact with the database search engine to receive search results from the database search engine that are selected based upon the search argument;	<p>The Yahoo Form SB-2 discloses interacting with the database search engine to receive search results from the database search engine that are selected based upon the search argument.</p> <p><i>See Claim 1 [d].</i></p>

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[e] interact with the associative search engine to receive an advertisement that is selected based upon at least one of the search argument and the search results; and	<p>The Yahoo Form SB-2 discloses interacting with the associative search engine to receive an advertisement that is selected based upon at least one of the search argument and the search results.</p> <p><i>See Claim 1[e].</i></p>
[f] transmit the search results together with the at least one advertisement via the communications link to the data processing device.	<p>The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device.</p> <p><i>See Claim 1[g].</i></p>
Claim 34	
34. The server computer of claim 33, wherein the server computer, in conjunction with the at least one communications interface, is further operable to:	<p>To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses wherein the server computer, in conjunction with the at least one communications interface, is further operable as follows.</p> <p><i>See Claim 33.</i></p>
[a] receive a response from the data processing device via the communications link that indicates selection of an advertisement; and	<p>The Yahoo Form SB-2 discloses receiving a response from the data processing device via the communications link that indicates selection of an advertisement.</p> <p><i>See Claim 1[h].</i></p>
[b] based upon the advertisement selection, generate a fee record.	<p>The Yahoo Form SB-2 discloses generating a fee record based upon the advertisement selection.</p> <p><i>See Claim 1[i].</i></p>
Claim 35	
35. The server computer of claim 34, wherein the server computer is further operable to extract a toll based upon the fee record.	<p>The Yahoo Form SB-2 discloses wherein the server computer is further operable to extract a toll based upon the fee record.</p> <p><i>See Claim 2.</i></p>
Claim 36	
36. The server computer of claim 34, wherein the server computer is further operable to direct the data	<p>The Yahoo Form SB-2 discloses wherein the server computer is further operable to direct the data processing device to a website corresponding to the selection of the advertisement.</p>

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processing device to a website corresponding to the selection of the advertisement.	<i>See</i> Claim 3.
Claim 37	
37. The server computer of claim 34, wherein the server computer is further operable to update preference data for the user based upon the selection of the advertisement.	The Yahoo Form SB-2 discloses wherein the server computer is further operable to update preference data for the user based upon the selection of the advertisement. <i>See</i> Claim 4.
Claim 38	
38. The server computer of claim 34, wherein the search results and the at least one advertisement are included in a web page.	The Yahoo Form SB-2 discloses wherein the search results and the at least one advertisement are included in a web page. <i>See</i> Claim 7.
Claim 39	
39. The server computer of claim 33, wherein the server computer, using the at least one communication interface, is operable to interact with the database search engine to receive an advertisement that is selected based upon at least the search argument.	The Yahoo Form SB-2 discloses wherein the server computer, using the at least one communication interface, is operable to interact with the database search engine to receive an advertisement that is selected based upon at least the search argument. <i>See</i> Claim 8.
Claim 41	
41. A method of operating a server computer to provide advertisements comprising:	The Yahoo Form SB-2 discloses operating a server computer to provide advertisements. <i>See</i> Claim 33[preamble].
[a] the server computer receiving from a data processing device via at least one communications interface a search request that includes a search	The Yahoo Form SB-2 discloses receiving from a data processing device via at least one communications interface a search request that includes a search argument. <i>See</i> Claim 33[c].

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argument; and	
[b] the server computer interacting with a database search engine via the at least one communications interface to receive search results from the database search engine that are selected based upon the search argument;	<p>The Yahoo Form SB-2 discloses interacting with a database search engine via the at least one communications interface to receive search results from the database search engine that were selected based upon the search argument.</p> <p><i>See Claim 33[d].</i></p>
[c] the server computer interacting with an associative search engine via the at least one communications interface to receive an advertisement that is selected based upon at least one of the search argument and the search results; and	<p>The Yahoo Form SB-2 discloses interacting with an associative search engine via the at least one communications interface to receive an advertisement that was selected based upon at least one of the search argument and the search results.</p> <p><i>See Claim 33[e].</i></p>
[d] the server computer transmitting the search results together with the at least one advertisement via the at least one communications interface to the data processing device.	<p>The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the at least one communications interface to the data processing device.</p> <p><i>See Claim 33[f].</i></p>
Claim 42	
42. The method of claim 41, further comprising:	<p>To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method.</p> <p><i>See Claim 41.</i></p>
[a] the server computer receiving a response from the data processing device via the at least one communications interface that indicates selection of an advertisement; and	<p>The Yahoo Form SB-2 discloses receiving a response from the data processing device via the at least one communications interface that indicated selection of an advertisement.</p> <p><i>See Claim 34[a].</i></p>
[b] based upon the	The Yahoo Form SB-2 discloses generating a fee record based

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advertisement selection, generating a fee record.	upon the advertisement selection. <i>See Claim 34[b].</i>
Claim 43	
43. The method of claim 41 , further comprising the server computer extracting a toll based upon the fee record.	The Yahoo Form SB-2 discloses extracting a toll based upon the fee record. <i>See Claim 35.</i>
Claim 44	
44. The method of claim 41 , further comprising the server computer directing the data processing device to a website corresponding to the selection of the advertisement.	The Yahoo Form SB-2 discloses directing the data processing device to a website corresponding to the selection of the advertisement. <i>See Claim 36.</i>
Claim 45	
45. The method of claim 41 , further comprising the server computer updating preference data for the user based upon the selection of the advertisement.	The Yahoo Form SB-2 discloses updating preference data for the user based upon the selection of the advertisement. <i>See Claim 37.</i>
Claim 46	
46. The method of claim 41 , wherein the search results and the at least one advertisement are included in a web page.	The Yahoo Form SB-2 discloses searching results and the at least one advertisement were included in a web page. <i>See Claim 38.</i>
Claim 47	
47. The method of claim 41 , further comprising the server computer interacting with an associative search engine via the at least one communication interface to receive an advertisement that is selected based upon at least the search	The Yahoo Form SB-2 discloses interacting with an associative search engine via the at least one communication interface to receive an advertisement that is selected based upon at least the search argument. <i>See Claim 39.</i>

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argument.	

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Claim 1	
1. A method for operating an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user, the method comprising:	The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user. <i>See '970 Patent Claim 17[preamble].</i>
[a] receiving from the data processing device via the communications link a search request that includes a search argument;	The Yahoo Form SB-2 discloses receiving a search request that includes a search argument. <i>See '970 Patent Claim 17[a].</i>
[b] searching at least one database using the search argument to produce search results;	The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results. <i>See '970 Patent Claim 17[b].</i>
[c] selecting at least one advertisement from an advertisement database relating to at least one of the search argument and the search results;	The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database relating to at least one of the search argument and the search results. <i>See '970 Patent Claim 17[c].</i>
[d] transmitting the search results together with the at least one advertisement via the communications link to the data processing device;	The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device. <i>See '970 Patent Claim 17[d].</i>
[e] receiving search refinement input from the data processing device via the communications link;	The Yahoo Form SB-2 discloses receiving search refinement input from the data processing device via the communications link. <i>See '245 Patent Claim 8[a].</i>
[f] producing modified search results based upon at least the search refinement input;	The Yahoo Form SB-2 discloses producing modified search results based upon at least the search refinement input. <i>See '245 Patent Claim 8[b] and [c].</i>
[g] selecting at least one other advertisement from the advertisement database	The Yahoo Form SB-2 discloses selecting at least one other advertisement from the advertisement database based upon at least one of the search refinement input and the modified search results.

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<p>based upon at least one of the search refinement input and the modified search results; and</p>	<p><i>See</i> '970 Patent Claim 17[c]</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Tables B2 & B3</p>
<p>[h] transmitting at least one of the modified search results and the at least one other advertisement via the communications link to the data processing device.</p>	<p>The Yahoo Form SB-2 discloses transmitting at least one of the modified search results and the at least one other advertisement via the communications link to the data processing device.</p> <p><i>See</i> '970 Patent Claim 17[d].</p>
Claim 5	
<p>5. The method of claim 1, wherein the search refinement input comprises at least one additional search argument.</p>	<p>The Yahoo Form SB-2 discloses the search refinement input comprises at least one additional search argument.</p> <p><i>See</i> '245 Patent Claim 8[a].</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B1</p>
Claim 6	
<p>6. The method of claim 1, wherein the search refinement input comprises additional search criteria.</p>	<p>The Yahoo Form SB-2 discloses wherein the search refinement input comprised of additional search criteria.</p> <p><i>See</i> '245 Patent Claim 8[a].</p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B1</p>
Claim 7	
<p>7. The method of claim 1, wherein the at least one advertisement includes a link to a website sponsoring the advertisement.</p>	<p>The Yahoo Form SB-2 discloses wherein the at least one advertisement includes a link to a website sponsoring the advertisement.</p> <p><i>See</i> '970 Patent Claim 3.</p>
Claim 8	

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8. The method of claim 1, further comprising:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method. <i>See Claim 1</i>
[a] determining, via communication with the data processing device that the user does not select the at least one advertisement; and	The Yahoo Form SB-2 discloses determining via communication with the data processing device that the user does not select the at least one advertisement. <i>See '970 Patent Claim 10[h].</i>
[b] updating advertisements provided to the data processing device based upon a determination that the user does not select the at least one advertisement.	The Yahoo Form SB-2 discloses updating advertisements provided to the data processing device based upon a determination that the user does not select the at least one advertisement. <i>See '970 Patent Claim 12, 13.</i>
Claim 9	
9. The method of claim 1, further comprising selecting the at least one advertisement based upon a least one of user profile data and user preference data.	The Yahoo Form SB-2 discloses selecting the at least one advertisement based upon a least one of user profile data and user preference data. <i>See '969 Patent Claim 2.</i>
Claim 10	
10. The method of claim 1, further comprising selecting the search results based upon at least one of user profile data and user preference data.	The Yahoo Form SB-2 discloses selecting search results based upon at least one of user profile data and user preference data. <i>See '969 Patent Claim 1[c].</i>
Claim 12	
12. A method for operating a data processing device of a user to receive advertisements via a communications link from an advertising machine implemented on at least one computer, the method	The Yahoo Form SB-2 discloses a method for operating a data processing device of a user to receive advertisements via a communications link from an advertising machine implemented on at least one computer. <i>See Claim 1[preamble].</i>

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comprising:	
[a] based upon interaction with the user, creating a search request that includes a search argument;	<p>The Yahoo Form SB-2 discloses based upon interaction with the user, creating a search request that includes a search argument.</p> <p><i>See Claim 1[a].</i></p>
[b] transmitting to the advertising machine via the communications link the search request that includes the search argument;	<p>The Yahoo Form SB-2 discloses transmitting to the advertising machine via the communications link the search request that includes the search argument.</p> <p><i>See Claim 1[a].</i></p>
[c] receiving search results and at least one advertisement via the communications link from the advertising machine, the at least one advertisement relating to the search argument;	<p>The Yahoo Form SB-2 discloses receiving search results and at least one advertisement via the communications link from the advertising machine, the at least one advertisement relating to the search argument.</p> <p><i>See Claim 1[d].</i></p>
[d] displaying the search results and the at least one advertisement on a display of the data processing device;	<p>The Yahoo Form SB-2 discloses displaying the search results and the at least one advertisement on a display of the data processing device.</p> <p><i>See Claim 1[d].</i></p>
[e] based upon interaction with the user, receiving search refinement input;	<p>The Yahoo Form SB-2 discloses based upon interaction with the user, receiving search refinement input.</p> <p><i>See Claim 1[e].</i></p>
[f] transmitting the search refinement input to the advertising machine via the communications link;	<p>The Yahoo Form SB-2 discloses transmitting the search refinement input to the advertising machine via the communications link.</p> <p><i>See Claim 1[e].</i></p>
[g] receiving modified search results and at least one other advertisement from the advertising machine that are based upon at least the search refinement input; and	<p>The Yahoo Form SB-2 discloses receiving modified search results and at least one other advertisement from the advertising machine that are based upon at least the search refinement input.</p> <p><i>See Claim 1[h].</i></p>
[h] displaying the modified search results and the at	<p>The Yahoo Form SB-2 discloses displaying the modified search results and the at least one other advertisement on the display of</p>

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least one other advertisement on the display of the data processing device.	the data processing device. <i>See Claim 1[h].</i>
Claim 14	
14. The method of claim 12 , wherein the search refinement input comprises at least one additional search argument.	The Yahoo Form SB-2 discloses wherein the search refinement input comprises at least one additional search argument. <i>See Claim 5.</i>
Claim 15	
15. The method of claim 12 , wherein the search refinement input comprises additional search criteria.	The Yahoo Form SB-2 discloses wherein the search refinement input comprises additional search criteria. <i>See Claim 6.</i>
Claim 16	
16. The method of claim 12 , wherein the at least one advertisement includes a link to a website sponsoring the advertisement.	The Yahoo Form SB-2 discloses wherein the at least one advertisement includes a link to a website sponsoring the advertisement. <i>See Claim 7.</i>
Claim 17	
17. The method of claim 12 , further comprising:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method. <i>See Claim 12.</i>
[a] determining that the user does not select the at least one advertisement; and	The Yahoo Form SB-2 discloses determining that the user did not select the at least one advertisement. <i>See Claim 8[a].</i>
[b] transmitting the indication that the user does not select the at least one advertisement to the advertising machine via the communications link.	The Yahoo Form SB-2 discloses transmitting the indication that the user did not select the at least one advertisement to the advertising machine via the communications link. <i>See Claim 8[a].</i>
Claim 18	
18. The method of claim	To the extent that this preamble may be construed to be limiting,

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12, further comprising:	<p>the Yahoo Form SB-2 discloses this method.</p> <p><i>See Claim 12.</i></p>
[a] receiving user input to indicate selection of the at least one advertisement; and	<p>The Yahoo Form SB-2 discloses receiving user input to indicate selection of the at least one advertisement.</p> <p><i>See '970 Patent Claim 1[h].</i></p>
[b] transmitting the indication that the user selects the at least one advertisement to the advertising machine via the communications link.	<p>The Yahoo Form SB-2 discloses transmitting the indication that the user selected the at least one advertisement to the advertising machine via the communications link.</p> <p><i>See '970 Patent Claim 1[h].</i></p>

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Claim 1	
<p>1. A method for operating an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user, the method comprising:</p>	<p>The Yahoo Form SB-2 discloses a method for operating an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user.</p> <p><i>See '970 Patent Claim 1[preamble].</i></p>
<p>[a] receiving from the data processing device via the communications link a search request that includes a search argument;</p>	<p>The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument.</p> <p><i>See '970 Patent Claim 1[a].</i></p>
<p>[b] searching at least one database using the search argument to produce search results;</p>	<p>The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results.</p> <p><i>See '970 Patent Claim 1[b].</i></p>
<p>[c] selecting at least one advertisement from an advertisement database based upon at least one of the search argument and the search results; and</p>	<p>The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database based upon at least one of the search argument and the search results.</p> <p><i>See '970 Patent Claim 1[c].</i></p>
<p>[d] transmitting the search results together with the at least one advertisement via the communications link to the data processing device in a web page data format that causes the data processing device to display the search results in a first display portion of a display of the data processing device and to display the at least one advertisement in a second display portion of the display of the data processing device.</p>	<p>The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device in a web page data format that causes the data processing device to display the search results in a first display portion of a display of the data processing device and to display the at least one advertisement in a second display portion of the display of the data processing device.</p> <p><i>See '970 Patent Claim 1[d], '969 Patent Claim 6.</i></p>

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Claim 2	
2. The method of claim 1, wherein the at least one advertisement includes a link to a website sponsoring the advertisement.	The Yahoo Form SB-2 discloses wherein the at least one advertisement includes a link to a website sponsoring the advertisement. <i>See '178 Patent Claim 7.</i>
Claim 5	
5. The method of claim 1, wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the communications link.	The Yahoo Form SB-2 discloses wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the communications link. <i>See Claim 1[d].</i>
Claim 6	
6. The method of claim 1, wherein the at least one computer is operated by a search engine provider.	The Yahoo Form SB-2 discloses wherein the at least one computer is operated by a search engine provider. <i>See Claim 1[preamble]</i> To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B1
Claim 7	
7. The method of claim 1, further comprising compiling user profile data for the user based upon at least the search term.	The Yahoo Form SB-2 discloses compiling user profile data for the user based upon at least the search term. <i>See '969 Patent Claims 2 and 3.</i>
Claim 8	
8. The method of claim 1, further comprising:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method. <i>See Claim 1.</i>
[a] determining, via communication with the data processing device that	The Yahoo Form SB-2 discloses determining, via communication with the data processing device that the user did not select the at least one advertisement.

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the user does not select the at least one advertisement; and	<i>See</i> '970 Patent Claim 10[h].
[b] using the determination that the user does not select the at least one advertisement in subsequent advertisement selection operations.	The Yahoo Form SB-2 discloses using the determination that the user does not select the at least one advertisement in subsequent advertisement selection operations. <i>See</i> '970 Patent Claims 11, 12, 13; '178 Patent Claim 8.
Claim 9	
9. A method for operating a data processing device of a user to receive advertisements via a communications link from an advertising machine implemented on at least one computer, the method comprising:	The Yahoo Form SB-2 discloses a method for operating a data processing device of a user to receive advertisements via a communications link from an advertising machine implemented on at least one computer. <i>See</i> Claim 1[preamble].
[a] based upon interaction with the user, creating a search request that includes a search argument;	The Yahoo Form SB-2 discloses based upon interaction with the user, the Yahoo Form SB-2 discloses created a search request that includes a search argument. <i>See</i> Claim 1[a].
[b] transmitting to the advertising machine via the communications link the search request that includes the search argument;	The Yahoo Form SB-2 discloses transmitting to the advertising machine via the communications link the search request that includes the search argument. <i>See</i> Claim 1[a].
[c] receiving search results and at least one advertisement via the communications link from the advertising machine, the at least one advertisement relating to the search argument;	The Yahoo Form SB-2 discloses receiving search results and at least one advertisement via the communications link from the advertising machine, the at least one advertisement relating to the search argument. <i>See</i> Claim 1[d].
[d] displaying the search results in a first display portion of a display of the data processing device; and	The Yahoo Form SB-2 discloses displaying the search results in a first display portion of a display of the data processing device. <i>See</i> Claim 1[d].

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[e] displaying the at least one advertisement in a second display portion of the display of the data processing device.	The Yahoo Form SB-2 discloses displaying the at least one advertisement in a second display portion of the display of the data processing device. <i>See Claim 1[d].</i>
Claim 10	
10. The method of claim 9, wherein the at least one advertisement includes a link to a website sponsoring the advertisement.	The Yahoo Form SB-2 discloses wherein the at least one advertisement includes a link to a website sponsoring the advertisement. <i>See Claim 2.</i>
Claim 11	
11. The method of claim 9, wherein the search results and the at least one advertisement are included in a web page received from the advertising machine via the communications link.	The Yahoo Form SB-2 discloses wherein the search results and the at least one advertisement are included in a web page received from the advertising machine via the communications link. <i>See Claim 5.</i>
Claim 12	
12. The method of claim 9, further comprising transmitting user preference data to the advertising machine via the communications interface.	The Yahoo Form SB-2 discloses transmitting user preference data to the advertising machine via the communications interface. <i>See '245 Patent Claim 1[a, b].</i>
Claim 13	
13. The method of claim 9, further comprising:	To the extent that this preamble may be construed to be limiting, the Yahoo Form SB-2 discloses this method. <i>See Claim 9.</i>
[a] determining, via communication with the data processing device that the user does not select the at least one advertisement; and	The Yahoo Form SB-2 discloses determining, via communication with the data processing device that the user did not select the at least one advertisement. <i>See Claim 8[a].</i>
[b] using the determination	The Yahoo Form SB-2 discloses using the determination that the

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that the user does not select the at least one advertisement in subsequent advertisement selection operations.	user does not select the at least one advertisement in subsequent advertisement selection operations. <i>See Claim 8[b].</i>
Claim 14	
14. An advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user, the advertising machine comprising:	The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user. <i>See Claim 1[preamble].</i>
[a] a communications interface operable to interface with the data processing device of the user via the communications link;	The Yahoo Form SB-2 discloses a communications interface operable to interface with the data processing device of the user via the communications link. <i>See Claim 1[a].</i>
[b] a database search engine operable to:	The Yahoo Form SB-2 discloses a database search engine. <i>See Claim 1[b].</i>
[c] receive from the data processing device via the communications link a search request that includes a search argument; and	The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument. <i>See Claim 1[a].</i>
[d] search at least one database using the search argument to produce search results;	The Yahoo Form SB-2 discloses searching at least one database using the search argument to produce search results. <i>See Claim 1[b].</i>
[e] an associative search engine operable to select at least one advertisement from an advertisement database based upon at least one of the search argument and the search results; and	The Yahoo Form SB-2 discloses an associative search engine operable to select at least one advertisement from an advertisement database based upon at least one of the search argument and the search results. <i>See Claim 1[c].</i>
[f] the advertising machine	The Yahoo Form SB-2 discloses transmitting the search results

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<p>operable to transmit the search results together with the at least one advertisement via the communications link to the data processing device in a web page data format that causes the data processing device to display the search results in a first display portion of a display of the data processing device and to display the at least one advertisement in a second display portion of the display of the data processing device.</p>	<p>together with the at least one advertisement via the communications link to the data processing device in a web page data format that causes the data processing device to display the search results in a first display portion of a display of the data processing device and to display the at least one advertisement in a second display portion of the display of the data processing device.</p> <p><i>See Claim 1[d].</i></p>
Claim 15	
<p>15. The advertising machine of claim 14, wherein the at least one advertisement includes a link to a website sponsoring the advertisement.</p>	<p>The Yahoo Form SB-2 discloses wherein the at least one advertisement includes a link to a website sponsoring the advertisement.</p> <p><i>See Claim 2.</i></p>
Claim 18	
<p>18. The advertising machine of claim 14, wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the communications link.</p>	<p>The Yahoo Form SB-2 discloses wherein the search results and the at least one advertisement are included in a web page transmitted to the data processing device via the communications link.</p> <p><i>See Claim 5.</i></p>
Claim 20	
<p>20. The advertising machine of claim 14, wherein the advertising machine is further operable to compile user profile data for the user based upon at</p>	<p>The Yahoo Form SB-2 discloses wherein the advertising machine is further operable to compile user profile data for the user based upon at least the search term.</p> <p><i>See Claim 7.</i></p>

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least the search term.	

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Claim 1	
1. A method for operating an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user, the method comprising:	<p>The Yahoo Form SB-2 discloses a method for operating an advertising machine implemented on at least one computer to provide advertisements via a communications link to a data processing device of a user.</p> <p><i>See '245 Patent Claim 1[preamble].</i></p>
[a] creating user profile data for the user;	<p>The Yahoo Form SB-2 discloses creating user profile data for the user.</p> <p><i>See '245 Patent Claim 1[b].</i></p>
[b] storing the user profile data;	<p>The Yahoo Form SB-2 discloses storing the user profile data.</p> <p><i>See '245 Patent Claim 1[b]</i></p> <p>To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4</p>
[c] receiving from the data processing device via the communications link a search request that includes a search argument;	<p>The Yahoo Form SB-2 discloses receiving from the data processing device via the communications link a search request that includes a search argument.</p> <p><i>See '245 Patent Claim 1[c].</i></p>
[d] searching at least one database having data network related information using the search argument to generate search results;	<p>The Yahoo Form SB-2 discloses searching at least one database having data network related information using the search argument to generate search results.</p> <p><i>See '245 Patent Claim 1[d].</i></p>
[e] selecting at least one advertisement from an advertisement database relating to the search argument using the user profile data; and	<p>The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database relating to the search argument using the user profile data.</p> <p><i>See '245 Patent Claim 1[e].</i></p>
[f] transmitting the search results together with the at	<p>The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the</p>

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least one advertisement via the communications link to the data processing device.	communications link to the data processing device. <i>See '245 Patent Claim 1[f].</i>
Claim 2	
2. The method of claim 1, wherein the user profile data includes prior purchasing information regarding the user.	The Yahoo Form SB-2 discloses wherein the user profile data includes prior purchasing information regarding the user. <i>See '969 Patent Claim 2.</i> To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4
Claim 3	
3. The method of claim 1, wherein storing the user profile data comprises storing the user profile data in a user profile database of the advertising machine.	The Yahoo Form SB-2 discloses wherein storing the user profile data comprises storing the user profile data in a user profile database of the advertising machine. <i>See Claim 1[b].</i>
Claim 4	
4. The methods of claim 1, wherein storing the user profile data comprises storing the user profile data on the data processing device.	The Yahoo Form SB-2 discloses wherein storing the user profile data comprises storing the user profile data on the data processing device. <i>See Claim 1[b].</i>
Claim 5	
5. The method of claim 1, wherein the user profile data is based upon prior search history of the user.	The Yahoo Form SB-2 discloses wherein the user profile data is based upon prior search history of the user. <i>See '245 Patent Claim 7.</i>
Claim 6	
6. The method of claim 1, wherein the user profile data is based upon user interests selected from the group consisting of social interests, family interests, political interests,	The Yahoo Form SB-2 discloses wherein the user profile data is based upon user interests selected from the group consisting of social interests, family interests, political interests, technological interests, geographical interests, environmental interests, and educational interests. <i>See '969 Patent Claim 2.</i>

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technological interests, geographical interests, environmental interests, and educational interests.	To the extent this reference does not teach this claim element, this reference in combination with the knowledge of one of ordinary skill in the art renders this claim element obvious. See, e.g.: Table B4.
Claim 7	
7. The method of claim 1, further comprising updating the user profile data based upon the search argument.	The Yahoo Form SB-2 discloses updating the user profile data based upon the search argument. <i>See '969 Patent Claim 3.</i>
Claim 8	
8. The method of claim 1, further comprising updating the user profile data using data obtained via interaction with the data processing device.	The Yahoo Form SB-2 discloses updating the user profile data using data obtained via interaction with the data processing device. <i>See '969 Patent Claim 2.</i>
Claim 9	
9. The method of claim 1, further comprising sorting the search results based upon the user profile data.	The Yahoo Form SB-2 discloses sorting the search results based upon the user profile data. <i>See '969 Patent Claims 1[b], [d], and [2].</i>
Claim 10	
10. The method of claim 1, wherein searching at least one database having data network related information using the search argument to generate search results and selecting at least one advertisement from an advertisement database relating to the search argument using the user profile data comprise accessing distinct differing databases.	The Yahoo Form SB-2 discloses searching at least one database having data network related information using the search argument to generate search results and selected at least one advertisement from an advertisement database relating to the search argument using the user profile data comprise accessing distinct differing databases. <i>See '969 Patent Claim 1[b] and [c].</i>
Claim 20	

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20. An advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user, the advertising machine comprising:	The Yahoo Form SB-2 discloses an advertising machine implemented on at least one computer and operable to provide advertisements via a communications link to a data processing device of a user. <i>See Claim 1[preamble].</i>
[a] a communications interface operable to interface with the data processing device of the user via the communications link;	The Yahoo Form SB-2 discloses a communications interface operable to interface with the data processing device of the user via the communications link. <i>See Claim 1[c].</i>
[b] a database search engine operable to:	The Yahoo Form SB-2 discloses a database search engine. <i>See Claim 1[d].</i>
[c] receive from the data processing device via the communications interface a search request that includes a search argument; and	The Yahoo Form SB-2 discloses receiving from the data processing device via the communications interface a search request that included a search argument. <i>See Claim 1[c].</i>
[d] search at least one database having data network related information using the search argument to generate search results;	The Yahoo Form SB-2 discloses searching at least one database having data network related information using the search argument to generate search result. <i>See Claim 1[d].</i>
[e] an associative search engine operable to:	The Yahoo Form SB-2 discloses an associative search engine. <i>See Claim 1[e].</i>
[f] create user profile data for the user;	The Yahoo Form SB-2 discloses creating user profile data for the user. <i>See Claim 1[a].</i>
[g] store the user profile data; and	The Yahoo Form SB-2 discloses storing the user profile data. <i>See Claim 1[b].</i>
[h] select at least one advertisement from an advertisement database	The Yahoo Form SB-2 discloses selecting at least one advertisement from an advertisement database relating to the search argument using the user profile data.

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relating to the search argument using the user profile data; and	<i>See Claim 1[e].</i>
[i] the advertising machine operable to transmit the search results together with the at least one advertisement via the communications link to the data processing device.	The Yahoo Form SB-2 discloses transmitting the search results together with the at least one advertisement via the communications link to the data processing device. <i>See Claim 1[f].</i>
Claim 21	
21. The advertising machine of claim 20, wherein the user profile data includes prior purchasing information regarding the user.	The Yahoo Form SB-2 discloses wherein the user profile data includes prior purchasing information regarding the user. <i>See Claim 2.</i>
Claim 22	
22. The advertising machine of claim 20, wherein the associative search engine is operable to store the user profile data in a user profile database of the advertising machine.	The Yahoo Form SB-2 discloses wherein the associative search engine is operable to store the user profile data in a user profile database of the advertising machine. <i>See Claim 3.</i>
Claim 23	
23. The advertising machine of claim 20, wherein the associative search engine is operable to transmit the user profile data via the communications interface to the data processing device for storage.	The Yahoo Form SB-2 discloses wherein the associative search engine is operable to transmit the user profile data via the communications interface to the data processing device for storage. <i>See Claim 4.</i>
Claim 24	
24. The advertising machine of claim 20, wherein the user profile data is based upon prior	The Yahoo Form SB-2 discloses wherein the user profile data is based upon prior search history of the user. <i>See Claim 5.</i>

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search history of the user.	
Claim 25	
<p>25. The advertising machine of claim 20, wherein the user profile data is based upon user interests selected from the group consisting of social interests, family interests, political interests, technological interests, geographical interests, environmental interests, and educational interests.</p>	<p>The Yahoo Form SB-2 discloses wherein the user profile data is based upon user interests selected from the group consisting of social interests, family interests, political interests, technological interests, geographical interests, environmental interests, and educational interests.</p> <p><i>See Claim 6.</i></p>
Claim 28	
<p>28. The advertising machine of claim 20, wherein the at least one database having data network related information and the advertisement database comprise distinct differing databases.</p>	<p>The Yahoo Form SB-2 discloses wherein the at least one database having data network related information and the advertisement database comprise distinct differing databases.</p> <p><i>See Claim 10.</i></p>