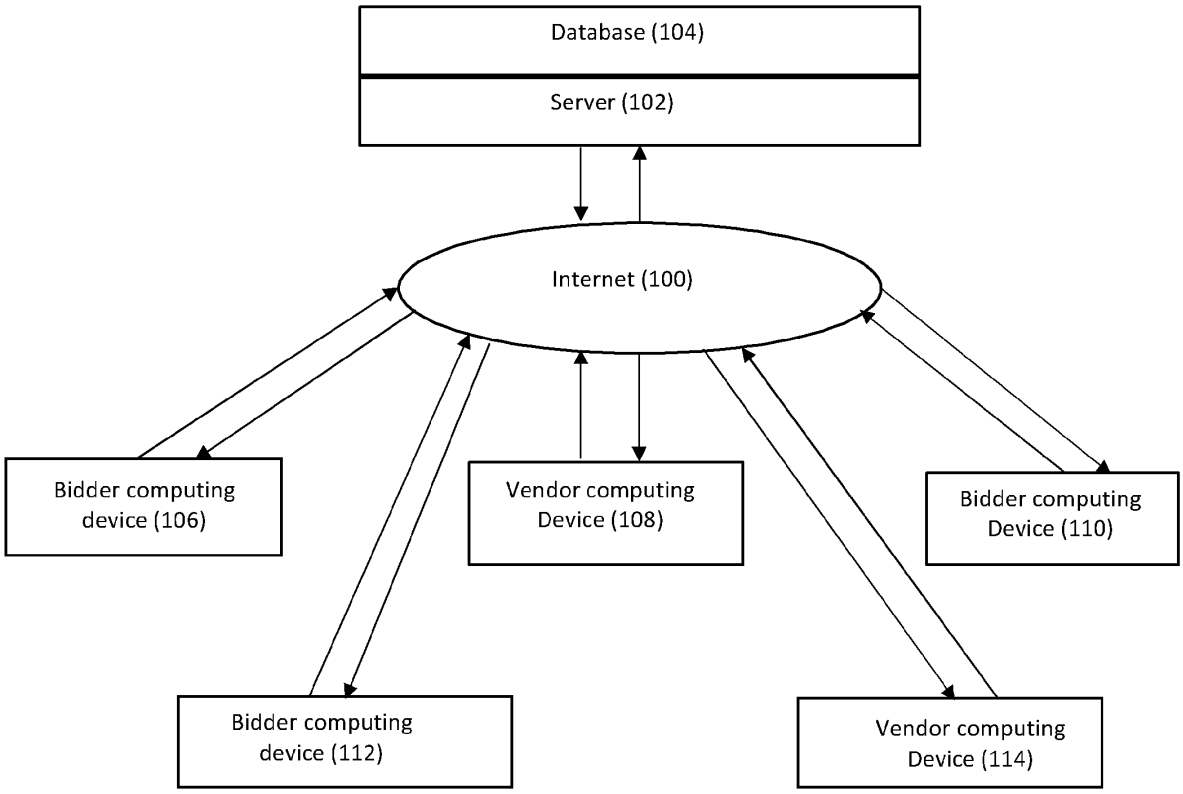

Database (104)
Server (102)
Internet (100)
Bidder computing device (106)
Vendor computing Device (108)
Bidder computing Device (110)
Bidder computing device (112)
Vendor computing Device (114)

FIG. 1A

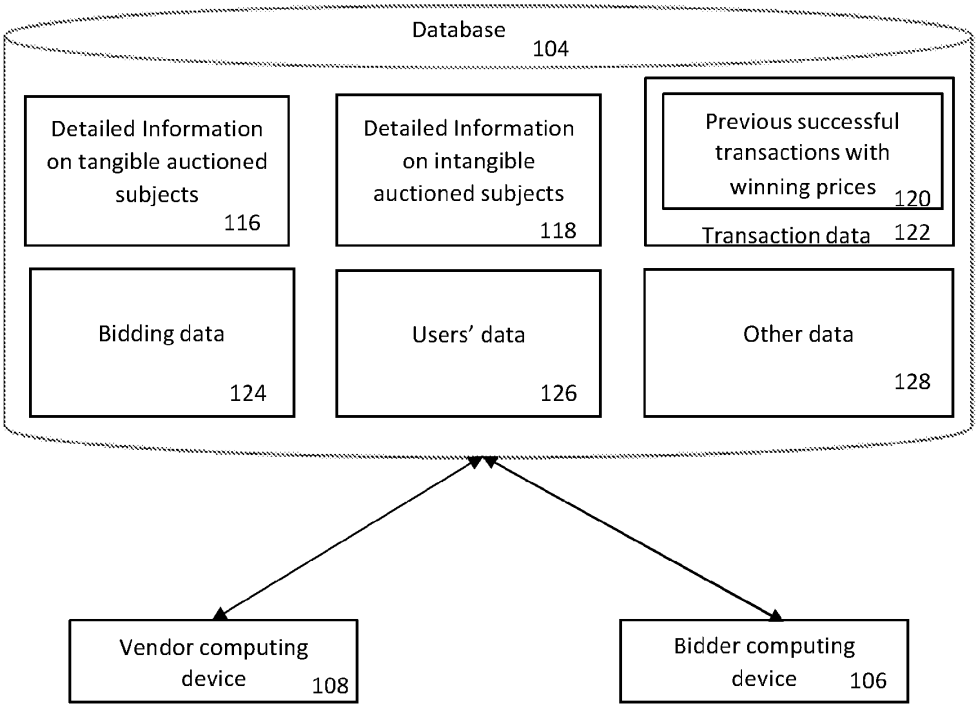

Database
104
Detailed Information on tangible auctioned subjects
116
Detailed Information on intangible auctioned subjects
118
Previous successful transactions with winning prices
120
Transaction data
122
Bidding data
124
Users' data
126
Other data
128
Vendor computing device
108
Bidder computing device
106

FIG. 1B

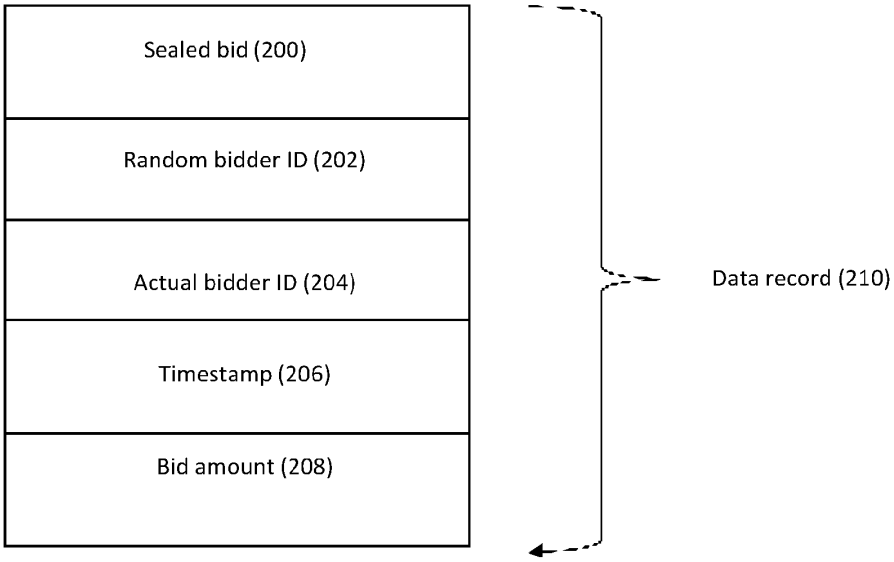

Sealed bid (200)
Random bidder ID (202)
Actual bidder ID (204)
Timestamp (206)
Bid amount (208)
Data record (210)

FIG. 2

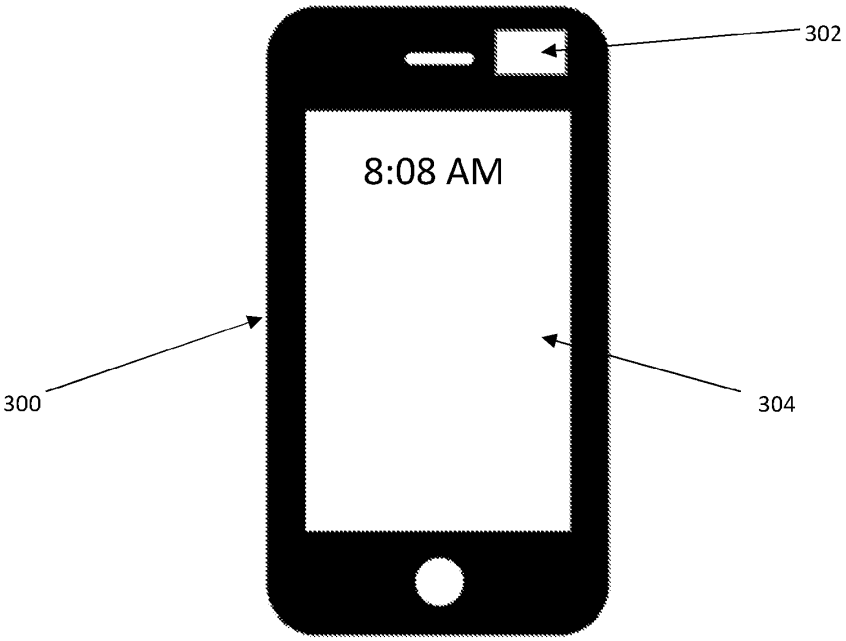


FIG. 3

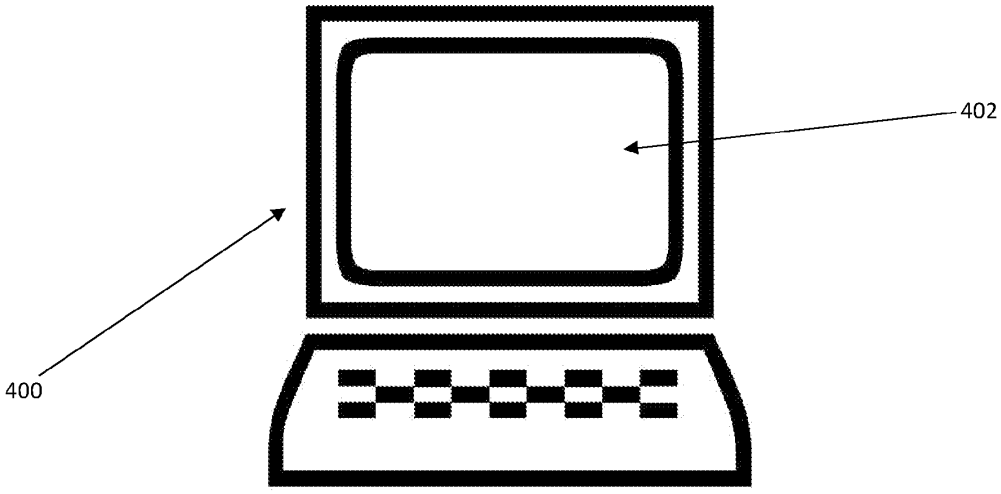


FIG. 4

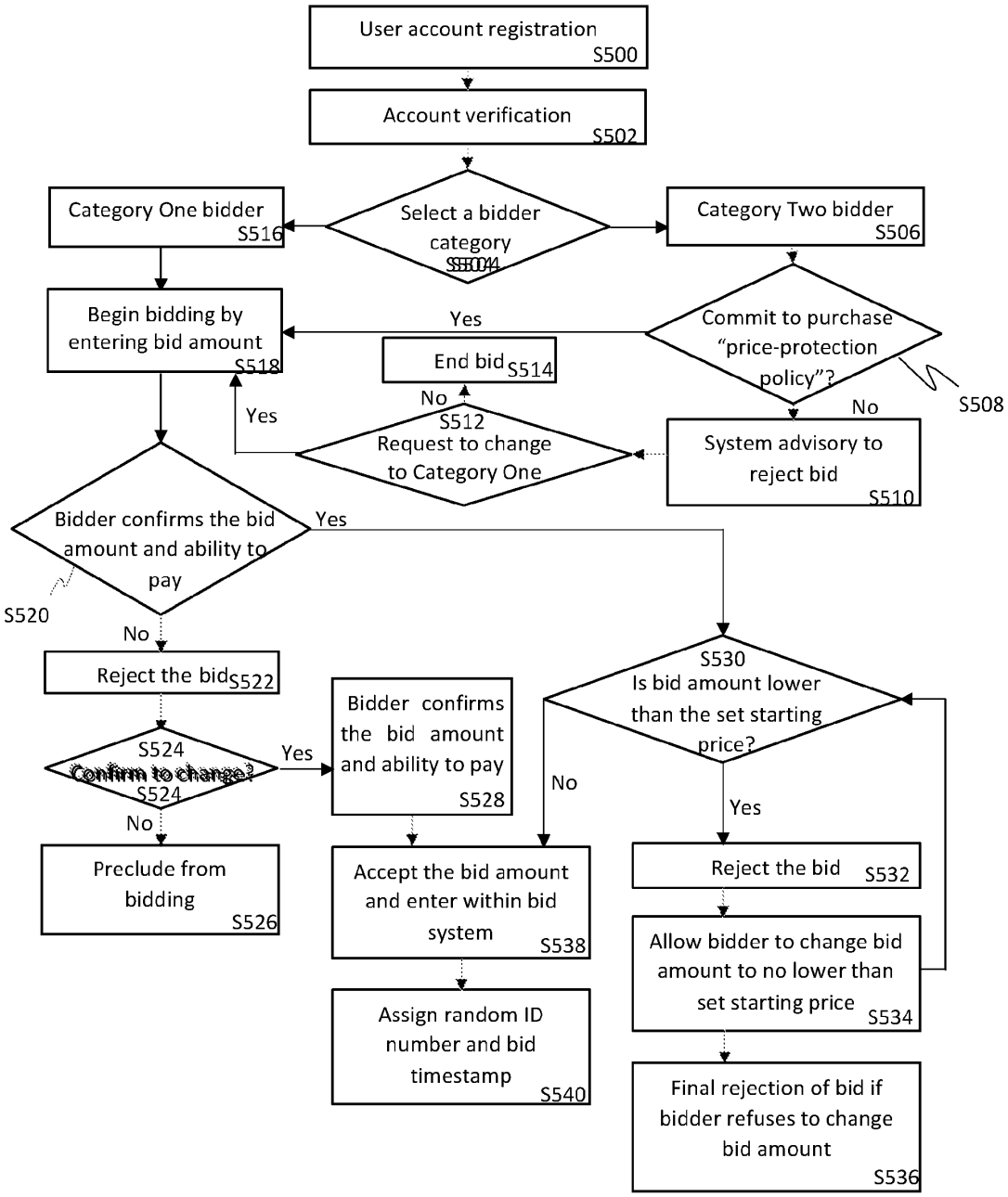

User account registration
S500
Account verification
S502
Select a bidder category
Category One bidder
S516
Category Two bidder
S506
Begin bidding by entering bid amount
S518
Yes
Commit to purchase "price-protection policy"?
S508
End bid S514
No
S512
Request to change to Category One
Yes
No
System advisory to reject bid
S510
Bidder confirms the bid amount and ability to pay
S520
Yes
No
Reject the bid S522
S524
Confirm to change?
Yes
No
Bidder confirms the bid amount and ability to pay
S528
Preclude from bidding
S526
S530
Is bid amount lower than the set starting price?
No
Yes
Accept the bid amount and enter within bid system
S538
Assign random ID number and bid timestamp
S540
Reject the bid S532
Allow bidder to change bid amount to no lower than set starting price
S534
Final rejection of bid if bidder refuses to change bid amount
S536

FIG. 5A

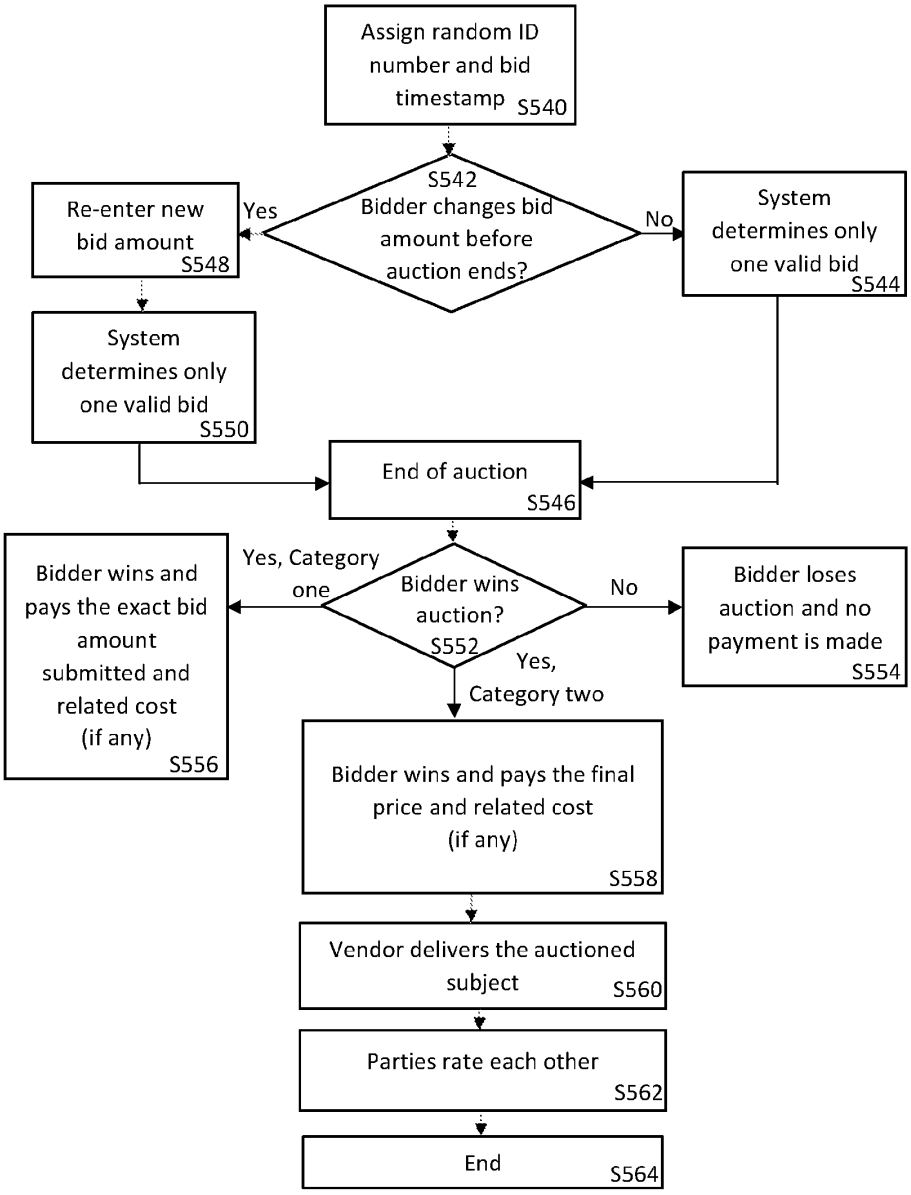

Assign random ID number and bid timestamp S540
S542 Bidder changes bid amount before auction ends?
Yes
Re-enter new bid amount S548
No
System determines only one valid bid S544
System determines only one valid bid S550
End of auction S546
Bidder wins auction? S552
Yes, Category one
Bidder wins and pays the exact bid amount submitted and related cost (if any) S556
No
Bidder loses auction and no payment is made S554
Yes, Category two
Bidder wins and pays the final price and related cost (if any) S558
Vendor delivers the auctioned subject S560
Parties rate each other S562
End S564

FIG. 5B

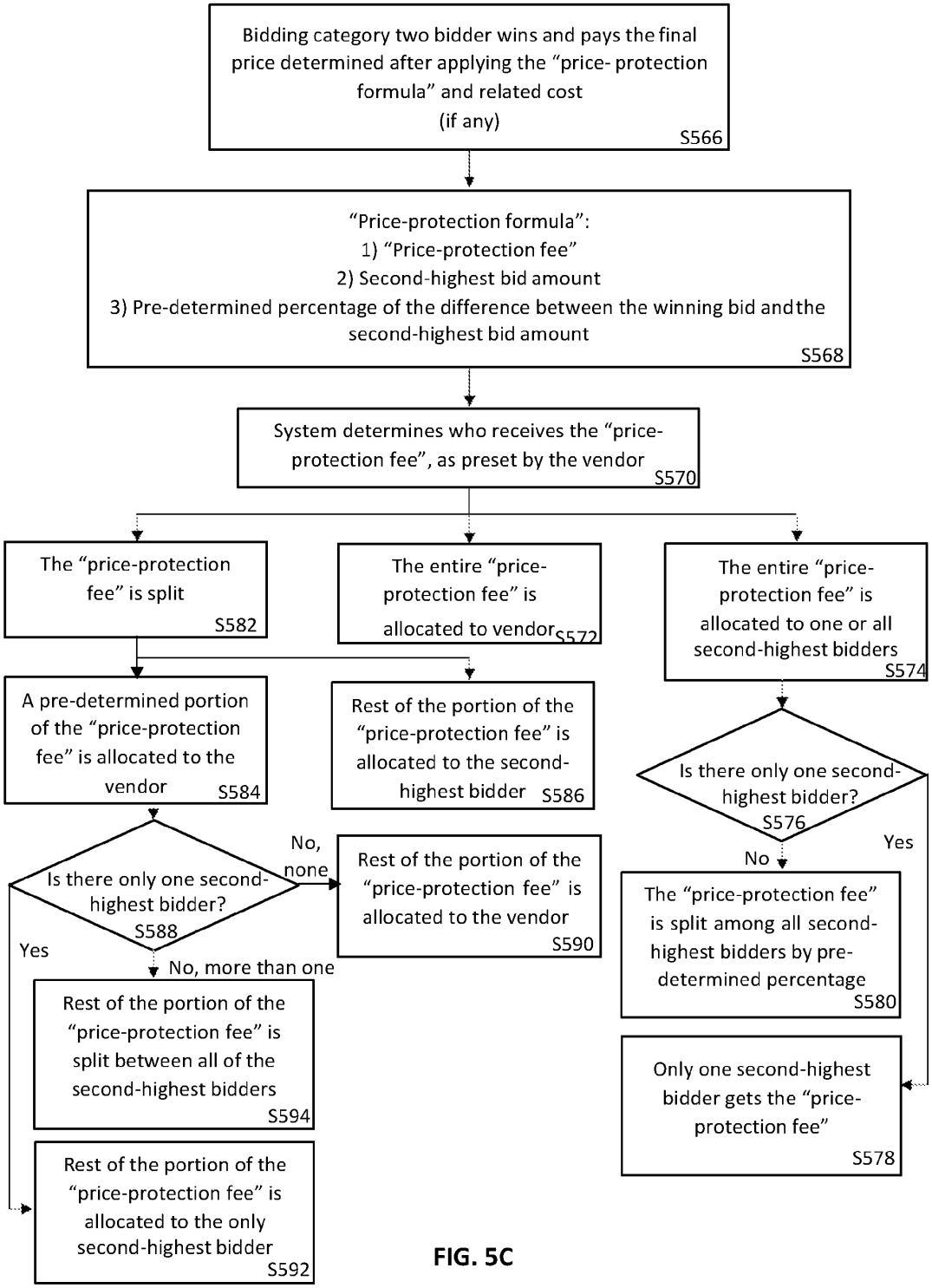

Bidding category two bidder wins and pays the final price determined after applying the "price- protection formula" and related cost (if any)
S566
"Price-protection formula":
1) "Price-protection fee"
2) Second-highest bid amount
3) Pre-determined percentage of the difference between the winning bid and the second-highest bid amount
S568
System determines who receives the "price-protection fee", as preset by the vendor
S570
The "price-protection fee" is split
S582
The entire "price-protection fee" is allocated to vendor
S572
The entire "price-protection fee" is allocated to one or all second-highest bidders
S574
A pre-determined portion of the "price-protection fee" is allocated to the vendor
S584
Rest of the portion of the "price-protection fee" is allocated to the second-highest bidder
S586
Is there only one second-highest bidder?
S588
No, none
Rest of the portion of the "price-protection fee" is allocated to the vendor
S590
Yes
No, more than one
Rest of the portion of the "price-protection fee" is split between all of the second-highest bidders
S594
Rest of the portion of the "price-protection fee" is allocated to the only second-highest bidder
S592
Is there only one second-highest bidder?
S576
Yes
No
The "price-protection fee" is split among all second-highest bidders by pre-determined percentage
S580
Only one second-highest bidder gets the "price-protection fee"
S578

FIG. 5C

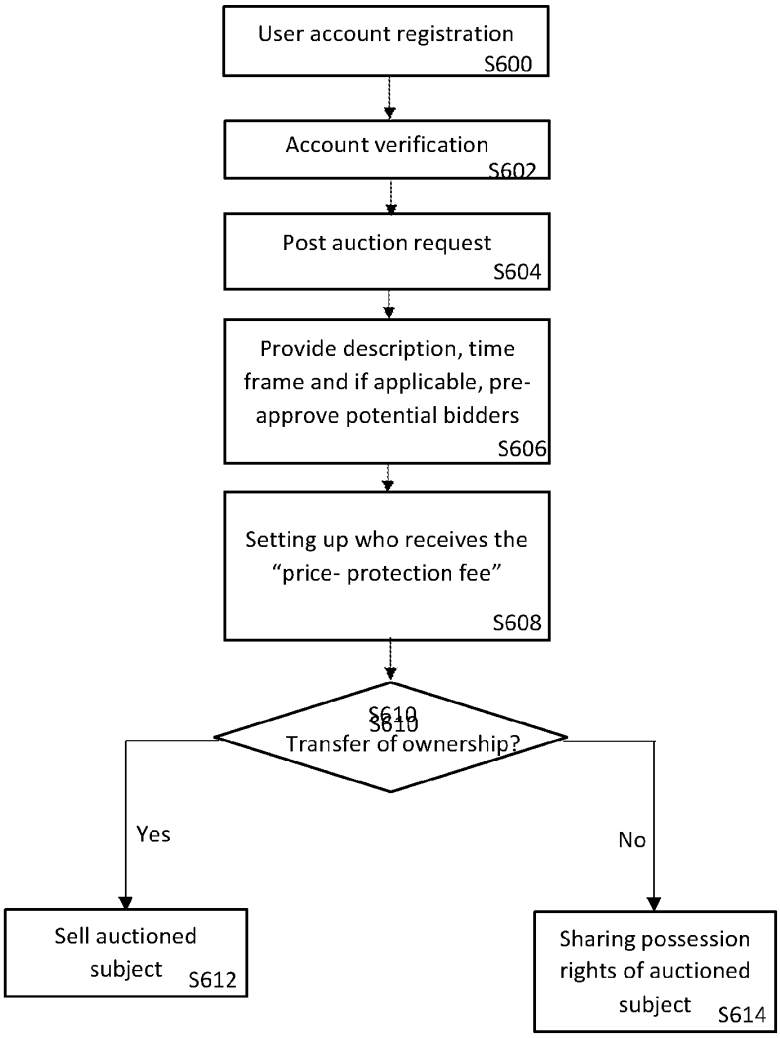

User account registration
S600
Account verification
S602
Post auction request
S604
Provide description, time frame and if applicable, pre-approve potential bidders
S606
Setting up who receives the "price- protection fee"
S608
S610
Transfer of ownership?
Yes
No
Sell auctioned subject
S612
Sharing possession rights of auctioned subject
S614

FIG. 6A

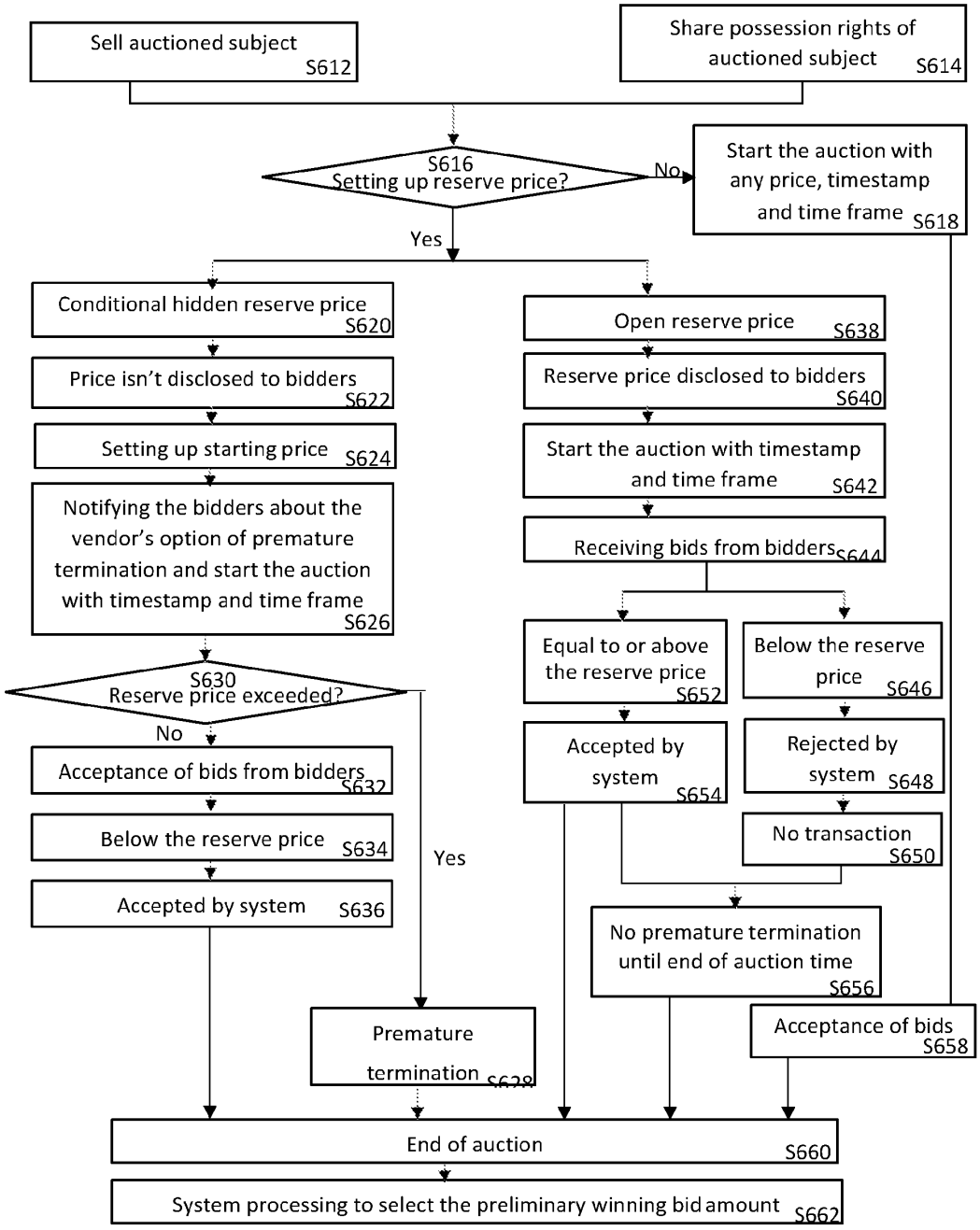

Sell auctioned subject S612
Share possession rights of auctioned subject S614
S616 Setting up reserve price?
No
Start the auction with any price, timestamp and time frame S618
Yes
Conditional hidden reserve price S620
Price isn't disclosed to bidders S622
Setting up starting price S624
Notifying the bidders about the vendor's option of premature termination and start the auction with timestamp and time frame S626
S630 Reserve price exceeded?
No
Yes
Acceptance of bids from bidders S632
Below the reserve price S634
Accepted by system S636
Premature termination S638
Open reserve price S638
Reserve price disclosed to bidders S640
Start the auction with timestamp and time frame S642
Receiving bids from bidders S644
Equal to or above the reserve price S652
Below the reserve price S646
Accepted by system S654
Rejected by system S648
No transaction S650
No premature termination until end of auction time S656
Acceptance of bids S658
End of auction S660
System processing to select the preliminary winning bid amount S662

FIG. 6B

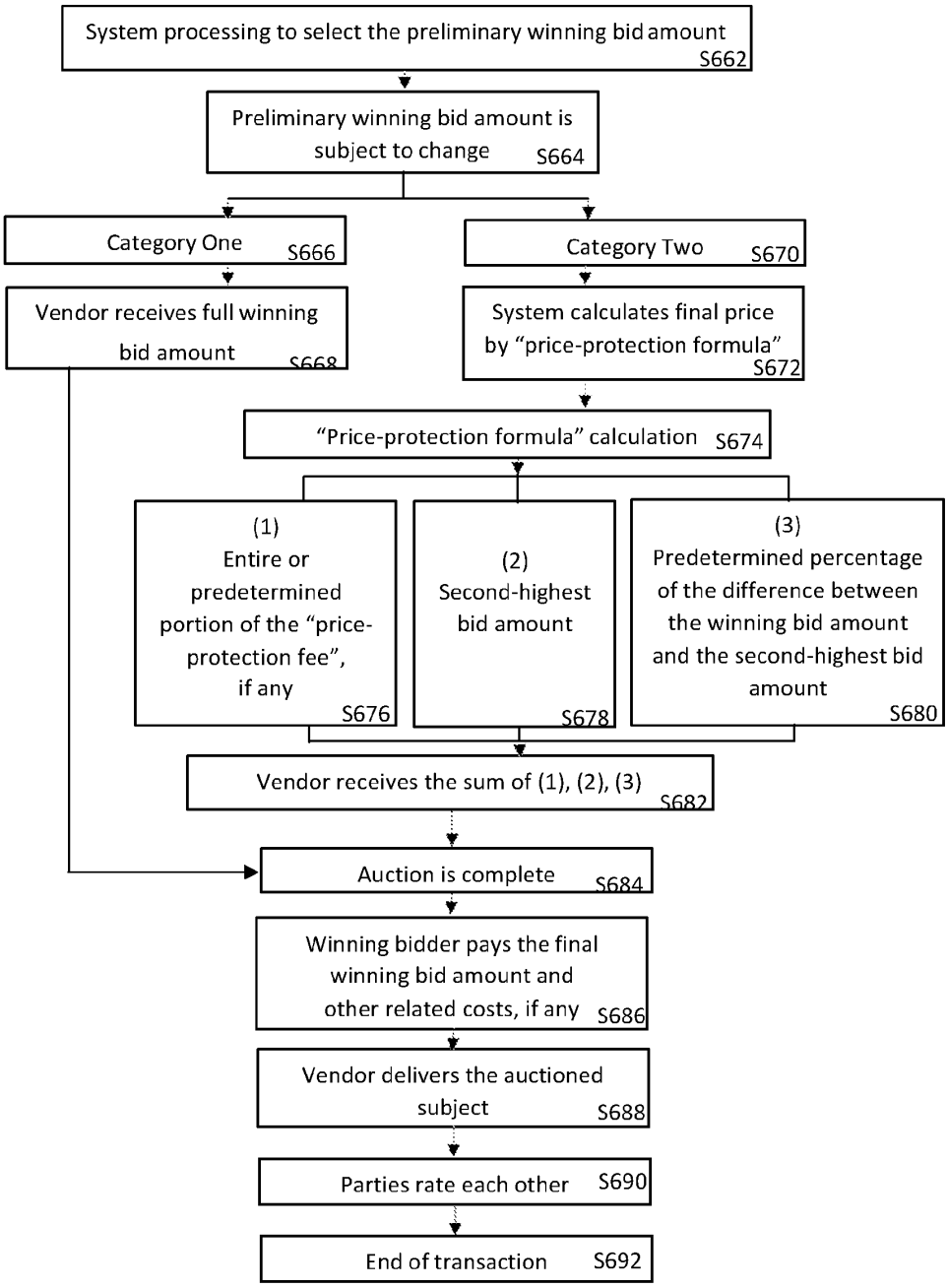

System processing to select the preliminary winning bid amount
S662
Preliminary winning bid amount is subject to change
S664
Category One
S666
Category Two
S670
Vendor receives full winning bid amount
S668
System calculates final price by "price-protection formula"
S672
"Price-protection formula" calculation
S674
(1) Entire or predetermined portion of the "price-protection fee", if any
S676
(2) Second-highest bid amount
S678
(3) Predetermined percentage of the difference between the winning bid amount and the second-highest bid amount
S680
Vendor receives the sum of (1), (2), (3)
S682
Auction is complete
S684
Winning bidder pays the final winning bid amount and other related costs, if any
S686
Vendor delivers the auctioned subject
S688
Parties rate each other
S690
End of transaction
S692

FIG. 6C

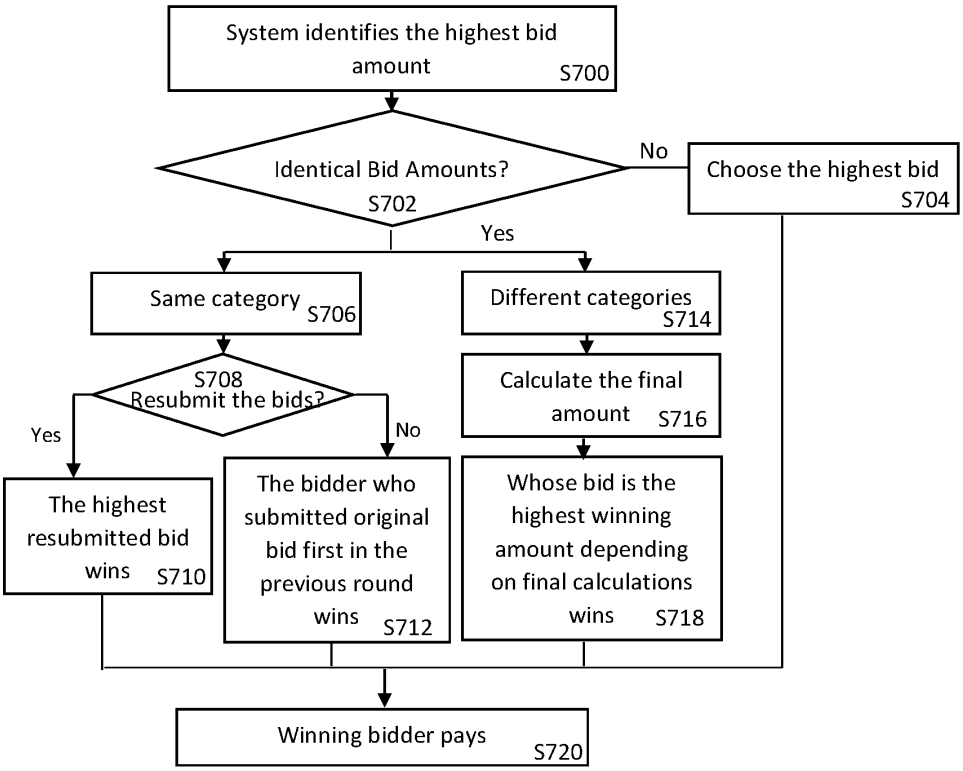

System identifies the highest bid amount S700
Identical Bid Amounts? S702
No
Choose the highest bid S704
Yes
Same category S706
Different categories S714
S708 Resubmit the bids?
Yes
No
Calculate the final amount S716
The highest resubmitted bid wins S710
The bidder who submitted original bid first in the previous round wins S712
Whose bid is the highest winning amount depending on final calculations wins S718
Winning bidder pays S720

FIG. 7