

September 16, 2013

The Honorable Orrin Hatch
United States Senate
Washington, DC 20510

The Honorable Bob Goodlatte
U.S. House of Representatives
Washington, DC 20515

The Honorable Sheldon Whitehouse
United States Senate
Washington, DC 20510

The Honorable Adam Schiff
U.S. House of Representatives
Washington, DC 20515

Dear Senator Hatch, Senator Whitehouse, Representative Goodlatte, and Representative Schiff:

On behalf of the Interactive Advertising Bureau and our more than 500 member companies, I want to thank you for your continued leadership in the fight against the online piracy of American intellectual property, in your capacity as co-chairs of the Congressional International Anti-Piracy Caucus. IAB welcomes the opportunity offered in your April 18 letter to work with you and your staffs on the most effective market-based solutions for combating piracy and counterfeiting.

IAB is the largest and most active trade organization in the digital advertising industry. We count among our diverse membership most of the country's top content creators and advertising networks. The supply chain that creates, sells, delivers, measures, and optimizes digital advertising – and which supports the cornucopia of otherwise free news, information and entertainment available to consumers – is complex, and ever-evolving. We are proud of our efforts to bring together the most significant representatives of this digital marketing supply chain to develop strong protections for intellectual property.

Government support for our work is essential if it is to continue to grow and expand as a self-regulatory regime. The Obama Administration's Office of the U.S. Intellectual Property Enforcement Coordinator recently offered support for the industry's self-regulatory efforts in this area, stating that it was "a good example of how the public and private sector can work to combat piracy and counterfeiting while protecting and, in fact, further encourag[ing] the innovation made possible by an open Internet." We hope to garner similar support from you and other members of Congress.

Let me provide more details regarding one key component of industry self-regulation, the IAB's Quality Assurance Guidelines (Guidelines). The Guidelines were created to help establish trust between buyers and sellers in a complex and ever-changing digital advertising ecosystem. The program helps promote the flow of advertising budgets into digital advertising by establishing industry regulation that offers a framework for brand safety. We consider piracy of intellectual property antithetical to the concept of brand safety: Consumer brands depend on the integrity of their own copyrights, trademarks, and patents, as well as on their distinctive brand reputations, and would not want to be associated with digital environments that persistently pirate others' IP. For that reason, the IAB Guidelines provide specific prohibitions against selling certain types of advertising inventory, including ad inventory on sites involved in intellectual property violations.

On April 18, 2013, the same day we received your inquiry, IAB released an update to the Guidelines for public comment. This revision focuses on increasing the applicability, visibility, and influence of the program, as well as the advancement of other vital program elements. Principally, we expanded the program to include all buyers and sellers of digital advertising. Originally the Guidelines were targeted solely to ad networks and exchanges. The program will now represent the full diversity of the industry and reinforce the role all these parties play in building a more accountable, transparent, and safe marketplace. Intellectual property protection remains a centerpiece of the expanded Guidelines.

This program is driven by consensus amongst the participating companies. Representatives from companies that are in compliance or have committed to becoming compliant with the Guidelines shape the process. With the expanded representation across the digital advertising supply chain, we recognize there will be challenges to reaching consensus; therefore we have incorporated several procedural changes to encourage swifter action on high priority issues. For example, your letter asks about the possible incorporation of technological solutions to combat the potential flow of advertising revenue to sites dedicated to copyright infringement. We have already elevated this issue within the Guidelines program and are establishing a working group to research and analyze the feasibility of technological solutions across the ecosystem. IAB strives to provide a fertile environment for the finding of majority-supported resolutions, and to then act promptly and diligently to bring them to life.

Regarding your specific questions:

- IAB is wholeheartedly dedicated to protecting the creators of original content. Scores of our members, including many of the largest, are creators and distributors of original news, entertainment, information, and services content. It is their work – and the work of the writers, artists, producers, photographers, designers, and programmers who labor with

them – that drives consumers to media and creates the audiences advertisers need.

Combating IP fraud is crucial to the maintenance of a healthy and prosperous interactive advertising industry. Opening up the Guidelines program to content owners will allow for their direct influence in future iterations of the Guidelines. They will be able to help define how the Guidelines protect their intellectual property. The program and their interests are now more closely aligned than ever.

- Enforcement is currently market-driven, meaning peers are watching peers to see if they are compliant. There is a complaint process in place for the reporting of non-compliant behavior and companies can partake in compliance reviews performed by third parties. Consistent with the opinions of a majority of Congress and of experts inside regulatory agencies, we believe this form of industry self-regulation is more effective than strict government regulation, because it can use the resources of an entire industry to identify violations and violators, and be flexible enough to adapt as technologies and forms of violations evolve.
- We are in the process of establishing a working group to explore the availability, efficiency, and feasibility of technological solutions.
- With the expansion of the program to all buyers and sellers of digital advertising, members of the ANA and the 4A's are now invited to comply with and influence the development of the Guidelines.
- IAB proactively educates our members and the public about the program through consistent promotion and outreach. Members learn about and are encouraged to adopt the Guidelines through email, attendance at events such as the IAB Advertising Tech Marketplace, and regularly scheduled committee and board meetings. We inform the greater industry and the public about the Guidelines through social media and press outreach. I have spoken often at our events, including our IAB Annual Leadership Meeting, which draws nearly 1,000 senior industry executives, about the importance of industry-wide action and individual company commitment to eliminating IP piracy.
- Further adoption of the Guidelines is fueled by these marketing efforts, as well as by our expansion of the program to involve more stakeholders. The program has received a tremendous amount of exposure because of recent acknowledgments by Victoria Espinel, former U.S. Intellectual Property Enforcement Coordinator. We would welcome additional public support from you and other members of Congress.

Interactive Advertising Bureau
116 E. 27th St. 7th Floor
New York, New York 10016
212.380.4700



We greatly appreciate your focus on our work to protect the value of original content and the advertising industry that supports its creation. We welcome your observations as the Guidelines progress, and urge you to continue to engage in fruitful dialogue that will lead to true implementable and successful outcomes for the creative industries impacted by online theft. I and my team would welcome the opportunity to meet with you to discuss this.

Sincerely,

A handwritten signature in blue ink, appearing to read "RR", is written over a light blue horizontal line.

Randall Rothenberg
President and CEO
Interactive Advertising Bureau