The Role of the Communications **Regulatory Authority of Italy** (AGCOM) in Addressing Online Advertisements on Websites that Infringe IP Rights



AGCOM ITALIAN COMMUNICATION REGULATORY **AUTHORITY**





to ensure equitable conditions for fair market competition





Agcom is first and foremost a guarantor for operators and consumers. **Independence** and **autonomy** are the elements which typify its activities.

Authority established according to EU electronic communications framework. The two main task assigned to it by Law:

to protect fundamental rights of all citizens in the audiovisual, electronic communications and postal sectors.

Agcom is accountable to Parliament which has established its powers, defined its statutes and elected its members.

AGCOM LEGAL BASIS **ON COPYRIGHT** PROTECTION



According to article 182-bis, the Authority is in charge of preventing and identifying IP violation



Agcom is the administrative authority with monitoring functions competent in the sector of copyright

According to articles 14, 15 and 16 the administrative authority with monitoring functions may request ISPs to terminate or prevent an infringement

Law no. 633/1941

E-commerce Decree 70/2003

THE PROCEEDING

RIGHT HOLDER FILES A COMPLAINT WITH AGCOM

> (NO EX OFFICIO INITIATIVE)

DIGITAL FORM AVAILABLE ON WEBSITE

DISMISSES THE CASE WHEN:

right holder doesn't use the AGCOM form

a litigation before Court is started by the right holder

the complaint is out of the scope of the regulation

the complaint is plainly groundless

the complaint is withdrawn before the AGCOM decision

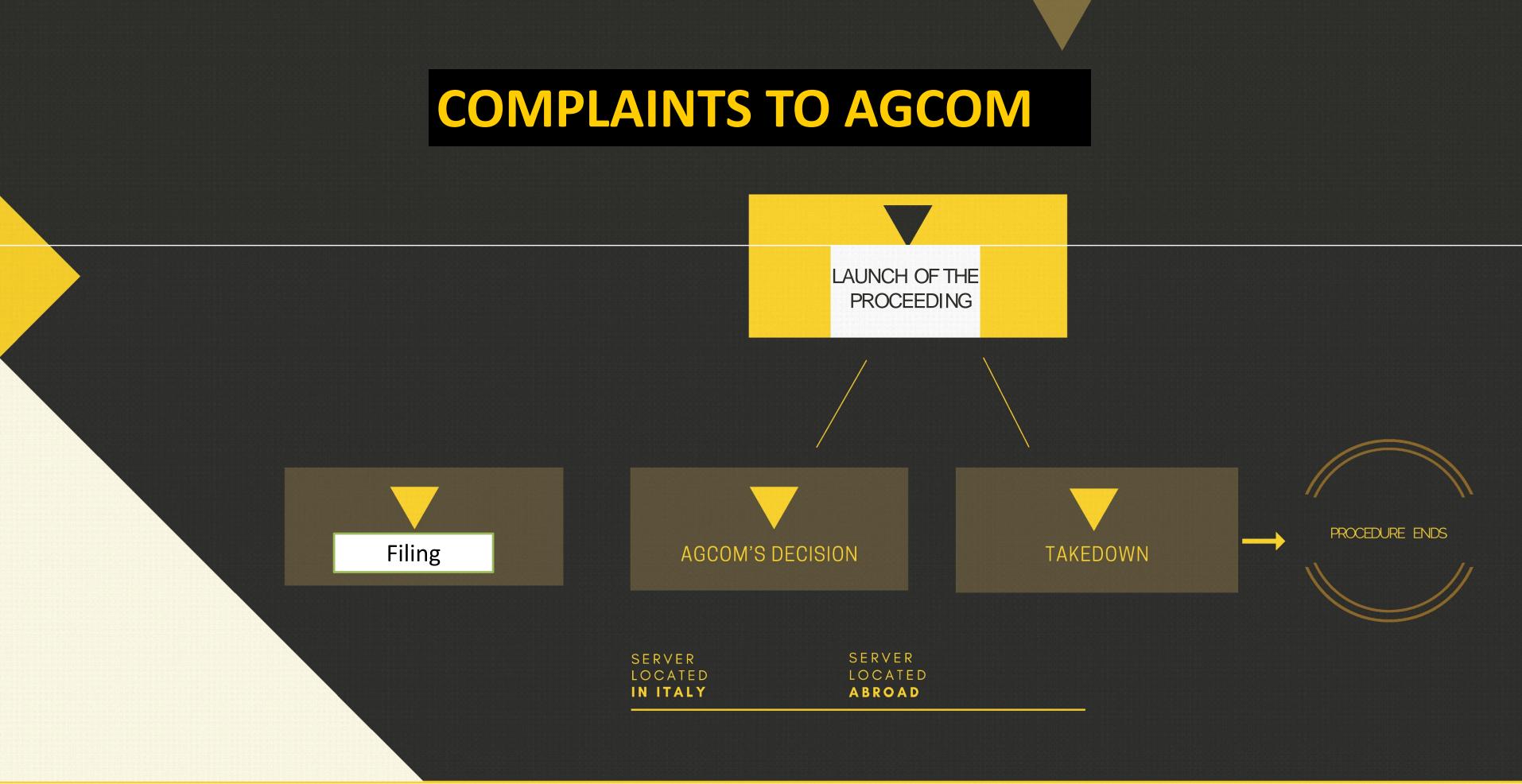


STARTS THE PROCEDURE BY SENDING THE KICK-OFF COMMUNICATION TO:

service providers

website manager

webpage manager and uploader, if identified



Types of lanes

Fast lane

Precautionary measures

Ordinary lane

35 DAYS

Repeated infringment



DIFFERENT **MEASURES**

DECISION

IF THE SERVER IS LOCATED IN ITALY

AGCOM may order the hosting provider under the Italian jurisdiction to remove the digital work from the website



IF THE SERVER IS LOCATED OUTSIDE **OF ITALY**

AGCOM may intervene only towards mere conduit providers under the Italian jurisdiction who may be ordered to disable the access to the website

GUIDELINES

INTERNETSERVICE PROVIDER

MERE CONDUIT

- Notification letter
- Copy of resolution
- File html format
- File txt. format (site list)



HO S TING

Notification letter Copy of resolution File txt. format (site URL)

RELATION BETWEEN

THE ADMINISTRATIVE AND THE JUDICIAL **PROCEDURE**

AGCOM'S **PROCEDURE**

does not replace the judicial process, but is alternative and freezes in the event of an appeal of either party to the Court



LIKE ALL AGCOM **DECISIONS**

the orders regarding copyright can be opposed presenting complaints to the TAR (the Administrative Court) of Latium

GUIDELINES

L'accesso al presente sito è stato disabilitato in esecuzione di un provvedimento adottato dall'Autorità per le garanzie nelle comunicazioni, ai sensi del regolamento in materia di tutela del diritto d'autore online approvato con delibera n. 680/13/CONS.

Per maggiori informazioni visiti il sito www.agcom.it



AVVISO



Mappa dei contenuti



MUSICA

MP3 LEGGERI E PRATICI, ALTA DEFINIZIONE SONORA PER I MELOMANI PIÙ ESIGENTI, DOWNLOAD O STREAMING? TROVA LA SOLUZIONE MIGLIORE PER ESPRIMERE IL TUO AMORE PER LA MUSICA.

DI SEGUITO TROVERAI TUTTI I MODI IN CUI PUOI ASCOLTARE MUSICA IN RETE:

DOWNLOAD

Il download musicale ha rappresentato il primo passo verso la distribuzione della musica in formato digitale. Mentre una volta gli utenti ascoltavano un numero inferiore di brani singoli, in guanto le uniche sorgenti erano l'acquisto di cd e la radio, ad oggi gli stessi ascoltano centinaia di brani all'anno. La carta vincente, inizialmente, è stata l'uso in mobilità: creare, in tempi brevi, senza fatica e competenze particolari, una compilation personalizzata da ascoltare con un lettore portatile o in macchina



LYRICS

SERVIZI LEGATI ALLA PUBBLICITÀ

Siti che permettono di accedere a contenuti musicali dietro il pagamento di una somma mensile.

Siti che includono delle inserzioni pubblicitarie e, grazie a queste, permettono all'utente di ascoltare musica gratis.

In questa sezione troverete siti dove è possibile consultare e conoscere tutti i testi delle canzoni.



Confindustria Cultura Italia

Federazione Italiana dell'Industria Culturale

CHI SIAMO GLOSSARIO FAQ APPROFONDIMENTI CONTATTI

GUIDELINES

 $\bigcirc \bigcirc$

e txt tormat

0000107 2019.14.03

www.cineblog-01.net www.torrentdownloads.me www.torrentz.pro www.limetorrents.com www.torrentdownload.ws torrentroom.com www.torrentroom.com torrent.cd www.torrent.cd torrentvia.com www.torrentvia.com yourbittorrent.com movie2k.tv movie4k.to btdigg.org torrentzap.com demonoid.ph puntostreaming.com tantostreaming.com mp3limone.net psychocydd.co.uk mp3limon.info mp3lemon.ws putlocker.is watchseries.ag mp3lemon.net portalzuca.net itsat.info mp3zitrone.net solarmovie.is watchserieshd.eu liberostreaming.net redmp3.ru imp3.cc tubeplus.me cb01.tv

muzons.ne cb01.tube torrentz2.eu musicmega altastreaming.net muzofon-online.ru happyhour cdn01.galaxyiptv.net ovagames.com intergoles.info filmstrea fullcrackpc.com livesportbox24.com thepirate cinemasubito.tv mp3red.cc Allegato B Elenco URL 0000107 2019 14 03 thepirate cinemasubito.top filmgratis.video mp3zitro cinemasubito.biz filmgratis.uno solarmov mp3.gisher.org cb-01.net watchser ddlvillage.org livecdn.club liberost genteflow.vin italia-film.gratis ezcast.tv redmp3.r stardelcinema.org musica-mp3.bid altadefinizione.estate embedezcast.com mp3ster.com mis-mp3-gratis.com imp3.cc altadefinizione01.dog kingmp3.party itastream.net tubeplus mp3band.ru streamblog.me filmlinks4u.to myfreemp3.biz bitmp3.ru gen.lib. guardarefilm.biz filmlinks4u.net busca.co inaltadefinizione.clgmag.or guardarefilm.gratis 123savemp3.net mp3cool.me iptvfree1.com gegas.net libgen.u iwannawatch.to cinemalibero.net sasuketv.iptvitalia.eu pdfmag.org libgen.p iwannawatch.net masmp3s.com iptv.mondialiptv.net fiesta-music.com film-italia.tv megasear streamingdb.co vip.groupiptv.com marapcana.org thecineblog01.com mp3da.su casacinema.bz iptv.iptvthebest.net ororo.tv redmp3.cc altadefi voostreaming.com tv.hero.iptv.uno taimp3.net mp3int.com mptri.net server.iptvwatchbestiptv.comaltadefinizione.blafilmissi calcion.xyz filmstreamitalia.org beta.iptvstreaming.org moommp3.xyz casacine musica-libera.lol naitimp3.ru tvconnectx.com ritamp3.xyz casacine cineblog01.fm www.watch-sportlive.ga guardarefilm.com musiklagump3.com filmsenz rojadirecta.xyz mp3.plus papystreaming.tv guardarefilm.tv filmsenz foxsat.tv cineblog01.gratis mp3arhiv.net cinemano.info cb-01.cc filmpertutti.co itvmovie.eu feed4u.tv mp3fusion.net cb01.caf altadefinizione.gratis filmpertutti.eu cineblog01.top sportkeyf.net solarmovie.ph filmzstr rlsbb.com holigantv.com livetv111.net solarmovie.com limetorrents.cc filmzstr livetv110.net streamblog.tv solarmovie.eu itastreaming.tv altadefi livetv107.net connectionsmusic.org taringamp3.me mondostreaming.net livetv106.net videoted cricfree.tv streamingfilm.it guardarefilm.net livetv105.net filmsenz igg-games.com gamestorrents.com levidia.ch livetv104.net filmsenz crichd.tv glodls.to bongdaup.com livetv103.net filmsenz livestream-l.info epubook.org project-sat.org livetv102.net muzofon.com filmsenz cineblog01.online footballup.com livetv101.net italia-f darkstream.me freecalcio.com atdhe24.tv giostreams.eu vesmovies calcion.md mp3cool.la inaltadefinizione.tv live2all.me eurostrea www.yompmh.com mp3skull.press redmp3.su onlinemacizle.org mp3freex.com livetvcdn.net tantifilm teump3.com zamuziku.ucoz.com webtivi.info zoogle.co myfreemp3.website mp3-center.net my-free-mp3.com miplayer.net 123movie. calcion.be genteflowmp3.org mp3cool.asia bongda24.com liveflashplayer.net torrentfu junglevibe20.net itastreaming.co liveflash.tv monova.to yify-torrent.org cricfree.sc altadefinizione.online freecalcio.eu limetorre usagoals.com 0eb.net hdgratis.net calcion.in watchser cinemasubito.com lshunter.net mp3prima.com filmsenza www.torrentdownload.co livetv.sx live.shwidget.com avxhome.in www.goldenmp3.ru itastream 0dt.net e-mp3.ws filmikz.ch marapcana.com seriestor foxsat.info sportp2p.com



SOCIALNETWORK

VIDEO SHARING PLATFORM

DEDICATED CONTACT

mmediate measures





All data as of 18 july 2019

WIPO FOR OFFICIAL USE ONLY



DIGITAL 750 WORKS IN THE COMPLAINTS

53,4%

500

250

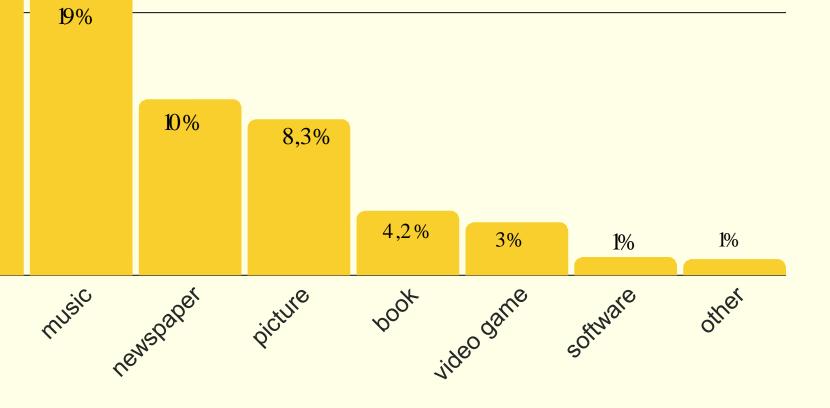
audiovisual

0

1778

complaints

all data are updated to 19 July 2019



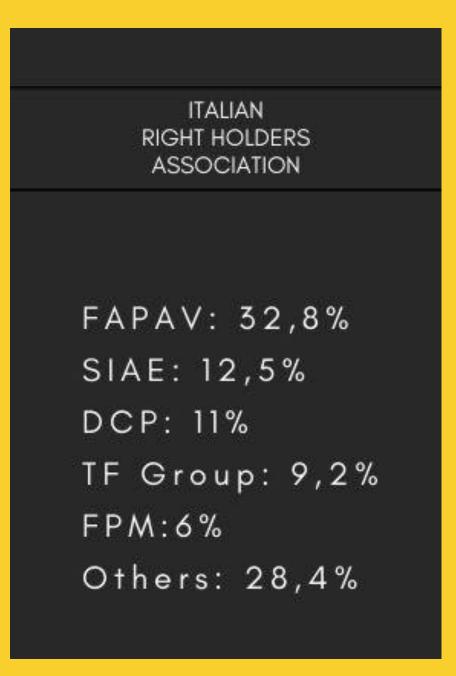


FAST LANE _ 71,52%

ORDINARY LANE _ 28,48%

REPEATED INFRINGMENT_28,11%

PRECAUTIONARY MEASURES_2,09%



all data are updated to t

THE FORMAL PROCEEDINGS: CONCLUSIONS

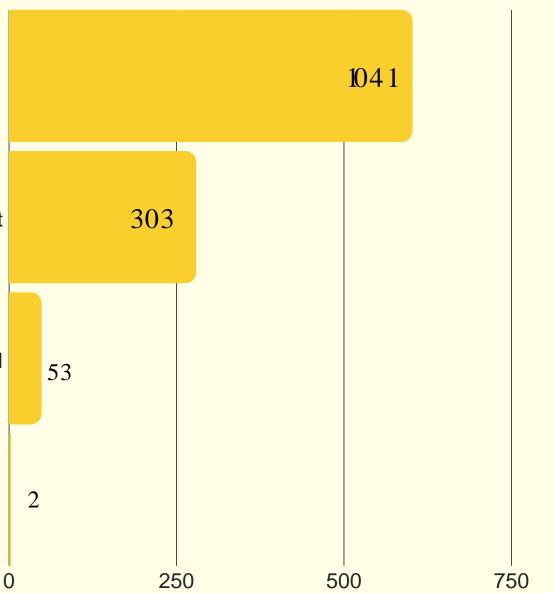
1099

Orders to disable access

Dismissed for voluntary adjustment

Dismissed by decision of the Board

Warning notices (SMAV)



MAIN HOSTING PROVIDER

1099

Other 36%

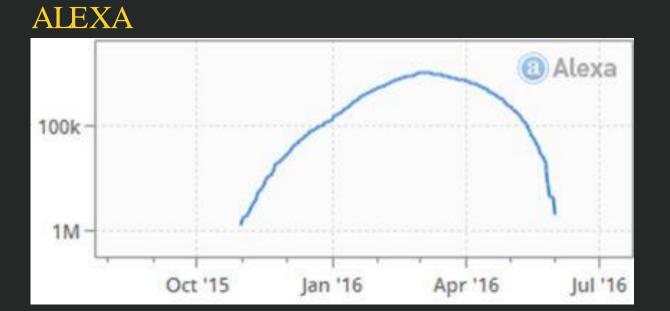
OVH SAS 2%

Ecatel

3%

CloudFlare (caching reverse proxy) 59%

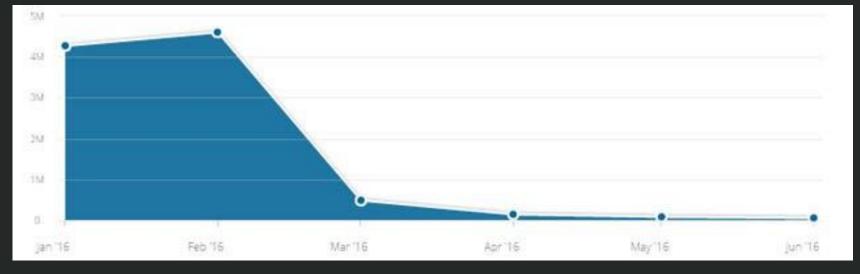
THE EFFECTS OF REGULATION



SEMRUSH



SIMILAWEB



DDA/667 WEBSITE TYPE OF WORK www.mp3lio.net Music

METHODS OF USE

Streaming + Download

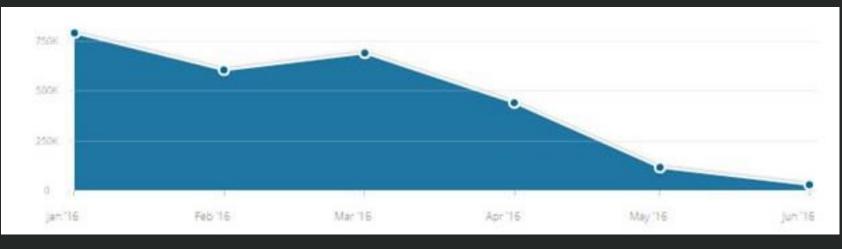


THE EFFECTS OF **REGULATION**

SEMRUSH

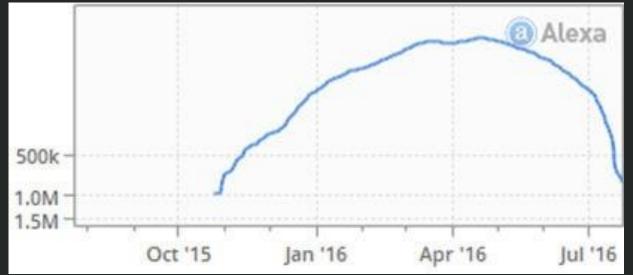


SIMILAWEB





ALEXA



METHODS OF USE

Streaming + Download



CHEAP AND QUICK ALTERNATIVE TO TIME CONSUMING AND EXPENSIVE JUDICIARY PROCEDURES THE WHOLE PROCESS IS DIGITAL

Strengths of Regulation



COLLECTING SOCIETIES AND ANTIPIRACY FEDERATION AS A HUB FOR THE MONITORING OF WEBSITES



There are key content categories that brands have identified as risky (IAB)



Copyright infring ment



@rugs/Alcohol/controlle substances



Political/religion



Unmoderated user-generated content

Advertising on copyright-infringing websites





ECOSLIM







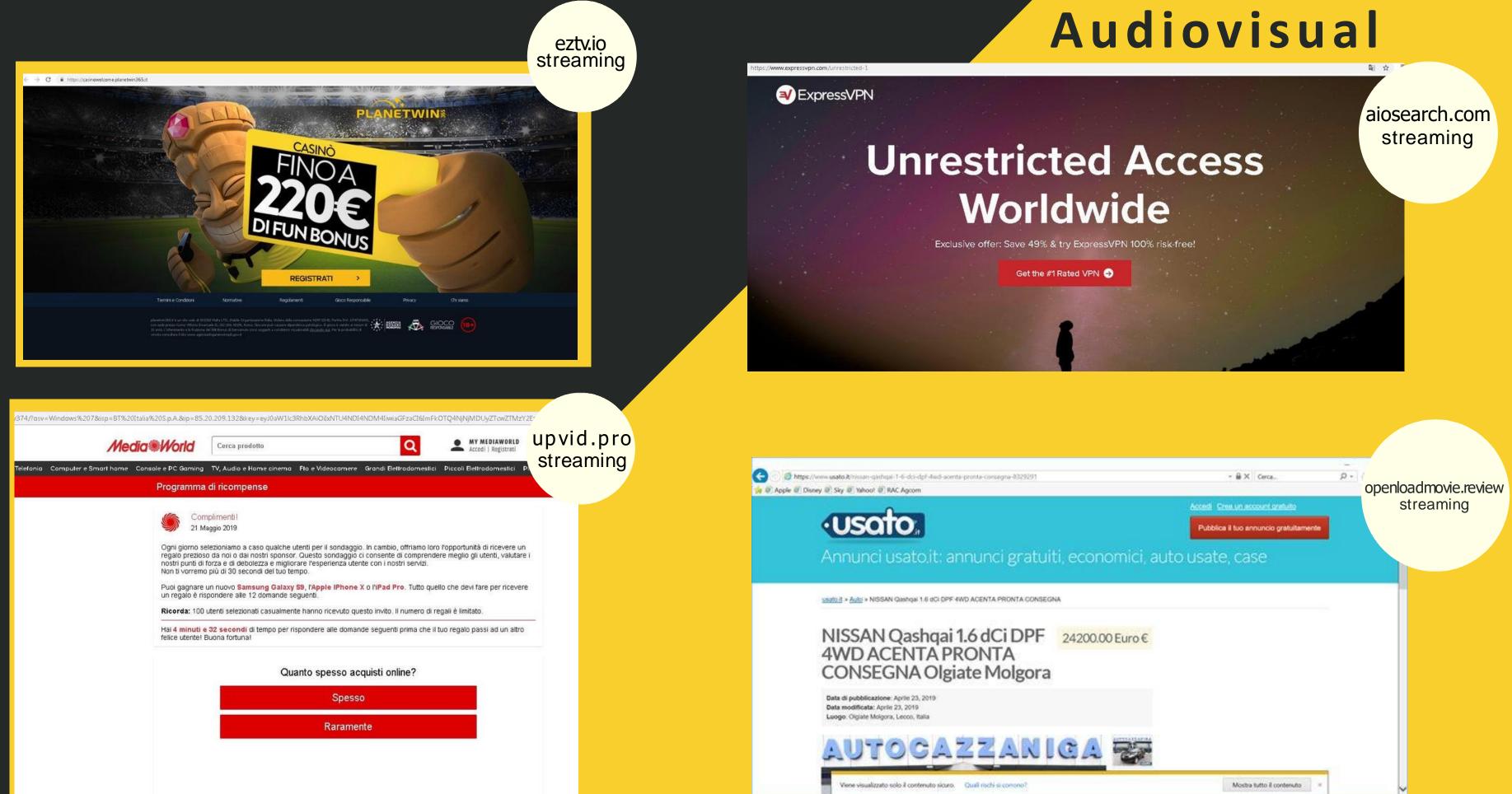






ıntımıssımı

hometogo





Music

WHERE WE ARE HEADED

IPTV AND PROTECTION OF LIVE SPORTING EVENTS





COOPERATION BETWEEN RIGHTS HOLDERS AND SERVICE PROVIDERS



WIPO BRIP DATABASE

ROLE OF INTERMEDIARIES, INTERNET SEARCH ENGINES, PAYMENT PROVIDERS AND ADVERTISING INDUSTRY



Thank you for your attention

GIORGIO GREPPI

g.greppi@agcom.it

Study on Advertising on Copyright-infringing Websites and Its Impact on the Value of the Advertised Brands in the Republic of Korea

Taejin Lee Director, Overseas Cooperation Team Korea Copyright Protection Agency (KCOPA)

> WIPO 14th ACE, Geneva September 3, 2019



- 1. Background
- 2. Overview of the Study
- 3. Analysis of Copyright-infringing Websites and Ads placed on Theses Websites
- 4. Experimental Consumer Survey
- 5. In-Depth Expert Interviews
- 6. Conclusion

Background

Background – The Problem

- · Copyright Infringement Running Rampant in the Digital Environment
- Estimated damage to the web-comic content industry (2017) : KRW 990 billion ≒ USD 820 million (Korea Creative Content Agency, 2018)
- Several measures to fight copyright-infringing webpages where the servers were located overseas took place; yet, many challenges

Measures	Challenges
URL Blocking	Circumvention by HTTPS protocol, VPN, etc.
Criminal Investigation	Cryptocurrency, cloned phone, false-name account
Legal Penalties for Infringing Websites Operators	Tendency for prosecutors to demand monetary penalty
Raising Public Awareness	Opposition to the regulation of copyright crimes arising from some civic groups

Background – Breakthrough

Formation of the Joint Government Task Force (Feb. 2018)

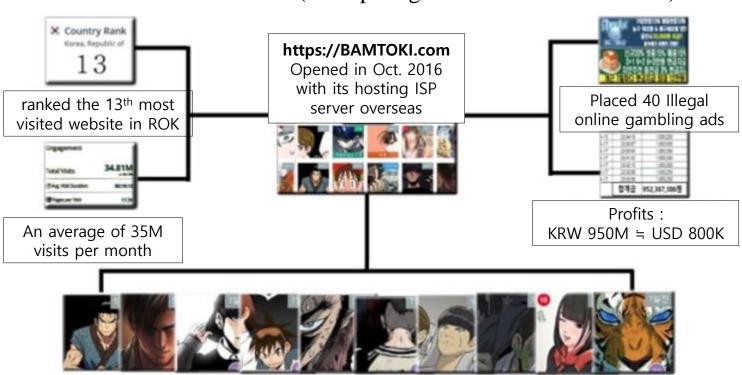
Ministry of Culture, Sports and Tourism (MCST), Korea Communications Commission (KCC), National Police Agency (NPA), Korea Copyright Protection Agency (KCOPA), Korea Communications Standards Commission (KCSC), Internet Service Providers (ISPs) (Korea Telecom, LG Telecom, SK Broadband)

Areas	Initiatives
Intensive Crackdown Activities	 Sharing criminal intelligence <a>2 Demanding higher penalty Adoption of DNS blocking (temporarily)
Improvement of supporting laws and technologies	 Shortening the period of proceedings for website blocking (2) Developing technology to prevent the circumvention of blocked websites
Public awareness- raising activities	① Producing ads featuring celebrities speaking about copyright-infringing websites, and airing them on broadcasters' ads panel ② Publicizing the ads on social media and government publications

Background – Outstanding results

• Outcomes of the Joint Government Task Force (2018)

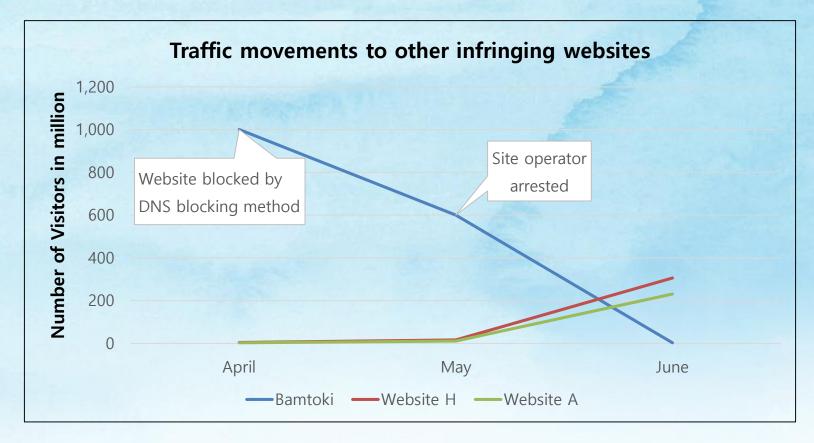
- 25 copyright-infringing websites (including the top torrents sharing site) closed down
- 13 website operators arrested
- Website blocking method (SNI) newly developed and implemented since February 2019



< About BAMTOKI (the top illegal web-comic site in 2018) >

(Diagram provided by Busan Metropolitan Police Agency, 2018)

Background – Rising problems



(Statistics provided by Webtoon (Web-Comics) Guide, 2018)

Taking down ONE big copyright infringing website "Bamtoki" led to the creation of TWO new medium-sized infringing websites.

Background – New Approach to the Problem

Q1. What could possibly drive operators to continuously create copyright infringing websites? A1. MONEY

Q2. Where does the money come from?

A2. Monetization through advertisements placed on their websites with a high number of visitors

Q3. How do we stop such monetization?

A3. By persuading brand owners to not place ads on such websites reasoning that this is not only important for society and for the copyright owners but...
 <u>the act of advertising on copyright-infringing websites has a negative impact on the targeted goods/services.</u>

This leads to an important question...

What if advertisements on infringing websites have a negative impact on the advertised brands?

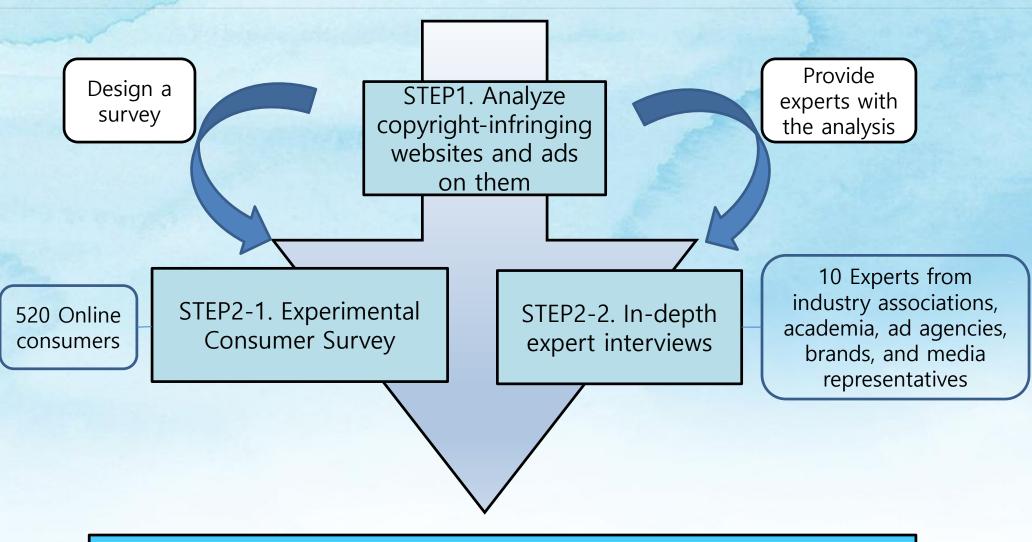
=> Conduct a study => share the result of it with advertisers and ad agencies => Promote wider USER participation to WIPO's BRIP Database Project

Overview of the Study

Overview of the Study

- Title : Effects of advertisements on infringing websites: tangible (economic effect) and intangible (public image recognition) dimensions
- · Requesting organization : Korea Copyright Protection Agency
- · Researching organization : Sun Moon University Research Foundation
- · Period : from May 27 to August 14, 2019
- Objective of the study : To examine the effects of illegal advertisements on copyrightinfringing websites
- · Definitions applied to this study
- **Copyright-infringing websites ('Illegal websites')** : Websites distributing copyrighted works without the consent of the right holders and that have been duly blocked by Korean ISPs based on the decision of the Government of the Republic of Korea
- Legal websites : Websites that do not distribute copyrighted works without the consent of right holder
- Legal advertisements : Advertisements that advertise legal products regardless of whether the ads are in compliance with regulatory format

Overview of the Study - Structure



Advertising on Copyright-infringing Websites and Its Impact on the Value of Advertised Brands

Analysis of Copyright-infringing Websites and Ads Placed on These Websites

Analysis of Copyright-infringing Websites and Ads Placed on These Websites

• Objective: Understanding the nature of copyright-infringing websites and the type of ads

Subject of analysis: Copyright-infringing websites and Ads placed on them

- 20 websites (out of 37 websites provided by KCOPA to researchers):usage type, customized ads, number of ad slots, number of advertisements

- 127 ads collected from Subject websites by refreshing pages 5 times :business type of advertisers, type of ad placement, ability of users to turn off ad personalization, landing page

X Data collected from June 28 to July 1, 2019

Analysis of Copyright-infringing Websites and Ads Placed on These Websites

	Websites (20)	Usage type	Online video streaming: 12 Torrents sharing: 4 Web-comic content: 4
		Customized ads (based on collected cookies)	6 websites
		Ad slots	71
		Number of Advertisements	127

Analysis of Copyright Infringing Websites and Ads Placed on These Websites

Advertisements (127)	Type of Business (or product) of the ad owners (brands)	Illegal Gambling: 58 (45.6%) Adult products: 9 (7.1%) Fashion: 9 (7.1%) Beauty products: 8 (6.3%) Infringing websites: 6 (4.7%) Restaurants: 5 (3.9%) Electronic goods: 4 (3.1%) Legitimate web-comics: 3 (2.4%) Education business: 2 (1.6%) Others: 23 (18.1%)
	Placing type	Sticky (Fixed banner): 116 (91.3%) Floating: 11 (8.9%)
	Ability of users to turn off ad personalization	Y: 38 (29.9%), N: 89 (70.1%)
	Landing page	Advertised brands: 113 (89.0%) Event page: 5 (3.9%) Blogs: 3 (2.4%), Others: 6 (4.7%)

Analysis of Copyright Infringing Websites and Ads placed on these websites



Analysis of Copyright Infringing Websites and Ads placed on these websites



Analysis of Copyright Infringing Websites and Ads placed on these websites

• Key Takeaway

< Advertisements >

- Inappropriate advertising products for minors: adult products, dating websites, etc.
- Some links in advertisements take users to illegal content such as illegal gambling which is not appropriate even for grown-ups.
- Illegal gambling is the greatest part (45.6%) of the advertised business type.
- Customized advertisements (based on collected cookies) are detected on 6 websites out of 20, and well-known brands may help the site gain credibility of its nature.
 (e.g. education, electronic goods)

< Copyright-infringing Websites >

- Websites have no age restriction requirements while there are inappropriate ads disclosed to minors.
- Landing pages are mostly the web pages of the advertised product (89.0%), and others redirect consumers to land on blogs and other event holding pages.

• Objective : Identification of the Impact of Advertisements on the Value of the Advertised Brands (that are legal goods/services) on Legal/Illegal Websites

[Research Question Type I

How does consumers' (1) to (4) below) vary depending on whether the ad appears on a legal or infringing website?

[Research Question Type II How does 'subjective norm of an individual' influence consumers' (1 to 4 below) depending on whether the ad appears on a legal or infringing website?

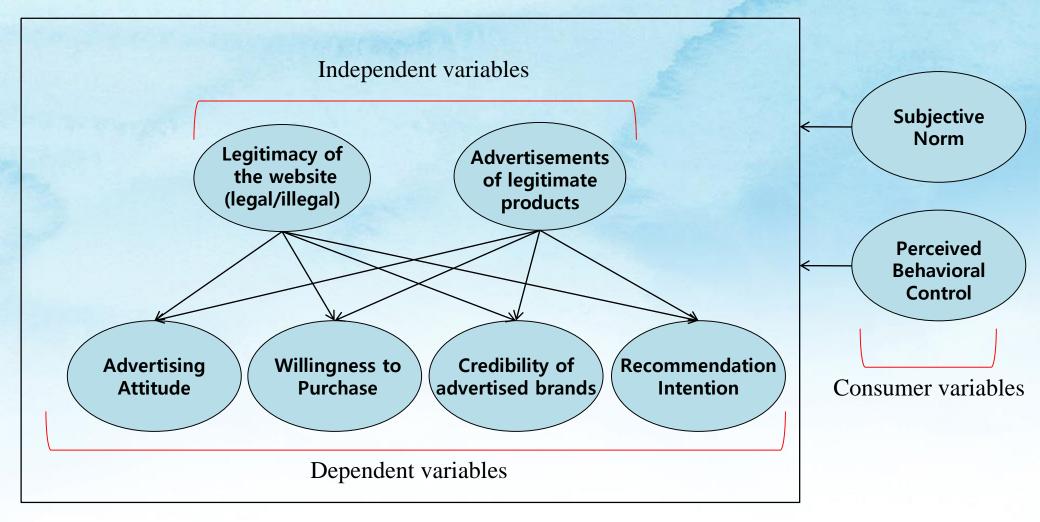
[Research Question Type III How does 'perceived behavioral control of an individual' influence consumers' (1 to 4 below) depending on whether the ad appears on a legal or infringing website?

- 1 attitude toward advertisement 2 willingness to buy targeted products
- (3) level of trust in advertised brands (4) willingness to recommend the advertised product to others

[Research Question Type IV

- 1 What motivates you to visit copyright infringing websites?
- (2) Who should be responsible for managing ads that are placed on copyright infringing websites?
- (3) What measures should be taken to regulate legal ads on copyright infringing websites?

[Research Model]



[Sampling and Survey process]

- Survey period : from July 17 to July 22, 2019 (6 days)

- Respondents : 520 (272 respondents for Research question type I, II and III)

- 520 consumers were asked to answer questions via their mobile phone for Research question type IV.
- 272 consumers were asked to answer questions via their mobile phone for Research questions type I, II and III after having a look at advertisements of an imaginary brand

- For Research question types I, II and III 4 questions were asked to be answered on a scale from 1 to 7

<Survey result for research question type I>

How does consumers' attitude toward advertisements vary depending on whether the ad appears on a legal or infringing website?

Average score on positive attitude



<Survey result for research question type I>

How does consumers' willingness to purchase advertised products vary depending on whether the ad appears on a legal or infringing website?

Average score

on willingness to purchase advertised products



<Survey result for research question type I>

How does the consumers' level of trust in advertised brands vary depending on whether the ad appears on a legal or infringing website?

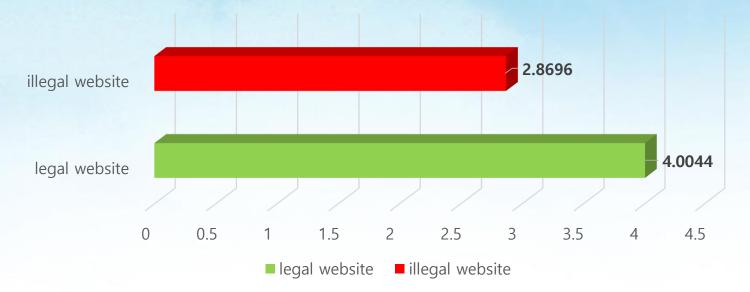
Average score on level of trust on advertised brands



<Survey result for research question type I>

How does consumers' willingness to recommend advertised products to others vary depending on whether the ad appears on a legal or infringing website?

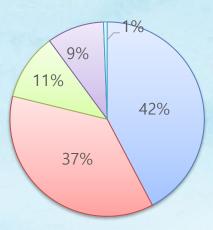
> Average score on willingness to recommend advertised products to others



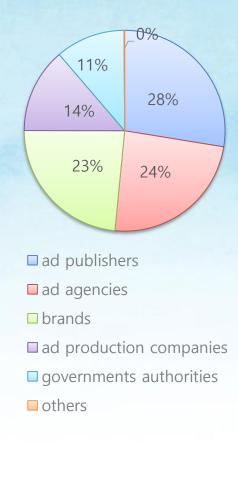
<Survey result for research question IV>

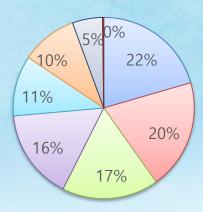
 What motivates you to visit 2 Who should be responsible for managing ads copyright infringing websites? that are placed on copyright infringing websites?

③ What measures should be taken to regulate legal ads on copyright infringing websites?



web surfing by chance
out of curiosity
by recommendation
already a member of the site
others





close down infringing sites with ads taken off
conduct monitoring on ads removal
establish a public-private body for management
regulate ad agencies or intermediaries
brands' self-regulation
enact laws to regulate sales of advertisements
conduct an awareness-raising campaign
others

In-Depth Expert Interviews

• Objective : To collect voices of experts from across different sub-sectors of advertising industry and seek their suggestions

- Interviewees consist of 10 experts from the following groups;
- Industry association (3)
- Academia (2)
- Ad agency (2)
- Brand (2)
- Media representative (1)

• Questionnaire type 1

- Knowledge of ads placed on copyright-infringing websites

Summary

- Because major brands and ads intermediaries would not intentionally place ads on infringing websites, there had not been much discussion on this problem.
- Their ads are mostly placed on websites with many visitors, regardless of the legitimacy of the website.
- Brands may have no knowledge of whether their brands are being advertised on such infringing websites.

Questionnaire type 2

- Problems arising from ads placed on copyright infringing websites

• Summary

- All interviewees recognized that copyright-infringing websites are damaging for copyright owners while benefitting the infringers.
- In the short term ads on infringing websites may mislead consumers into perceiving those sites as legitimate, ads on infringing websites may publicize brands and bring profits to website operators, allowing them to plan a larger-scale infringing website and inciting the public to run similar sites.
- In the long term, legal content distribution websites may diminish due to the prevalence of such infringing websites.

- Questionnaire type 3
- Need for regulation

Summary

- Most agree that it is necessary to cut off the money flows to copyright-infringing websites through the voluntary take-down of advertisements on such websites by businesses and agencies.
- Some state that because ads on infringing websites may harm the advertisers' brand image governments should impose legal controls over the removal of advertisements from infringing websites, while others found it rather impertinent to regulate advertisements rather than to take action against infringing websites.

Conclusion

Conclusion

 \cdot There are not only illegal but also legal products that are advertised on copyrightinfringing websites - some are big and/or medium sized brands.

 \cdot The survey results show that advertisements on copyright-infringing websites will have a negative impact on brands.

 \cdot Expert interviews show that businesses and advertising agencies recognize that copyright-infringing websites have a damaging impact on copyright owners.

- However, not many acknowledge that their ads are on the websites.

• To have businesses voluntarily participate in this movement of cutting off the profits of copyright-infringing websites, it is necessary to share the result of this study with the advertising industry.







Stakeholders' cooperation under the Memorandum of Understanding on online advertising and IPR

Update from the European Commission

Advisory Committee on Enforcement

Fourteenth session Geneva, 3 September 2019



Context of the initiative

IPR infringements are on the rise

- 6,8% of goods imported into the EU are counterfeit or pirated, corresponding to €121 billion in illegal trade
- due to the presence of counterfeits sales of the legitimate sectors are lowered by an average of 7.5% across the EU in the selected IPR intensive industries - €59 billion losses on annual basis, loss of almost 435 000 jobs

Need for better enforcement of IPR

- 'Follow the money' approach
- Robust legislation as a starting point
- Complementing legislation with voluntary measures



EU voluntary initiatives

• MoU on the sale of counterfeit goods via the internet (2011)

- to prevent offers of counterfeit and pirated goods from appearing in online marketplaces
- MoU on online advertising and IPR (2018)
 - to limit advertising on websites and mobile applications that infringe copyright or disseminate counterfeit goods
- Stakeholders' dialogue on the transportation / delivery of goods and IPR
- Stakeholders' dialogue on IPR protection and payments



Challenges for online advertising and IPR

- online advertising is a hugely complex environment
- misplacement of advertisement on IPR infringing websites and mobile applications is an issue:
 - websites and mobile applications that provide access to IPR-infringing content, goods or services often use the sale of advertising space as one of their revenue sources
 - the presence of advertising for household brands or the availability of well-known payment services on IP-infringing websites and mobile applications can confuse consumers, who may mistakenly believe to access legal content



MoU on online advertising and IPR

- Signed in June 2018 by 28 companies and associations
 - <u>https://www.youtube.com/watch?v=5-yXMWk3cW0</u>
- Brings together representatives of advertisers and advertising intermediaries, as well as other interested stakeholders





MoU on online advertising and IPR

Objective

 to minimise the revenue websites and mobile applications that infringe intellectual property rights on a commercial scale gain from online advertising

Commitments

Limiting the placement of advertising on websites and mobile applications which have no substantial legitimate uses:

- when competent authorities found that they infringe copyright or disseminate counterfeit goods on a commercial scale
- for which the advertisers have reasonably available evidence that they are infringing copyright or disseminate counterfeited products, on a commercial scale



How does it work in practice?

Cooperation in a form of a stakeholder dialogue

 signatories meet to discuss and exchange best practice in a confidential environment

Evaluation of the work

- measuring the efforts under the MoU on the basis of annual reporting
- monitoring the MoU's impact on the market: external study

Next steps

- Stakeholders will meet biannually
- Preparation of an overview report on the MoU functioning to inform about the progress achieved and further disseminate best practice
- Agreement to be open for new signatories at the next meeting

IPI Index[™]

HIGH RISK

RISK PROFILE

white bullet AD FUNDED IP INFRINGEMENT MOU ON ADVERTISING AND IPR

Intelligence Taken from Top 5000+ IP Infringing Websites Tracked in 19 European Countries and US in Q2 2019

Ş	IP infringing websites regularly change domain names to avoid detection ILLEGAL WEBSITES DOMAIN-HOP TO NON-ADJUDICATED DOMAIN NAMES						
٢	DOMAINS MONITORED						
		Total Domains	Illegal (%)	High Risk (%)			
	Q1	7,030	56%	44%			
	Q2	7,111	55%	45%			

45% of domains monitored have domain-hopped, auto-redirected, or otherwise changed since 01January 2019 8

IPI Index[™]

HIGH RISK

RISK PROFILE

white bullet) AD FUNDED IP INFRINGEMENT MOU ON ADVERTISING AND IPR

Intelligence Taken from Top 5000+ IP Infringing Websites Tracked in 19 European Countries and US in Q2 2019



Brands and sponsored content are funding IP infringing websites BRANDS AND REPUTABLE SPONSORED CONTENT NETWORKS DON'T WANT TO BE ADVERTISING THERE

Q2 OVERVIEW BY AD TYPE



RISK PROFILE

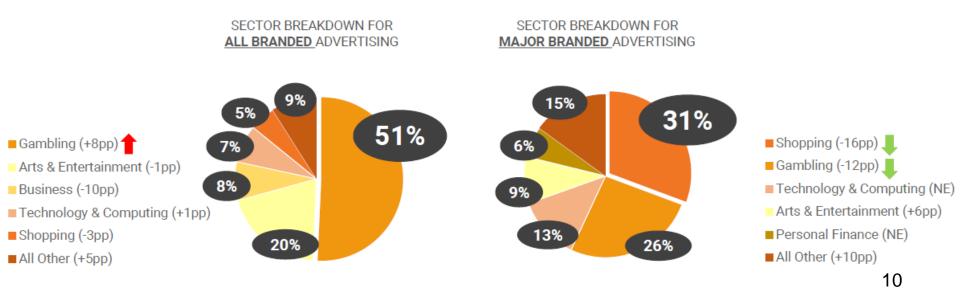
white bullet) AD FUNDED IP INFRINGEMENT MOU ON ADVERTISING AND IPR

Intelligence Taken from Top 5000+ IP Infringing Websites Tracked in 19 European Countries and US in Q2 2019



Reputable advertising sectors are highly represented REGIONAL AND NATIONAL INDUSTRY REGULATORS CAN BE ENGAGED TO RAISE AWARENESS

KEY SECTORS AFFECTED



© 2019 White Bullet

IPI Index[™]

HIGH RISK

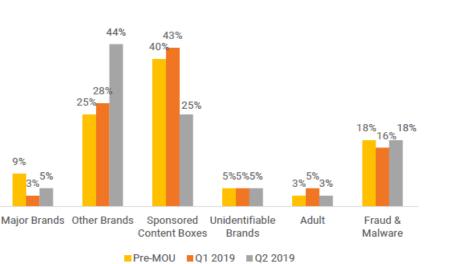
RISK PROFILE

whitebullet **AD FUNDED IP INFRINGEMENT** MOU ON ADVERTISING AND IPR

Intelligence Taken from Top 5000+ IP Infringing Websites Tracked in 19 European Countries and US in Q2 2019

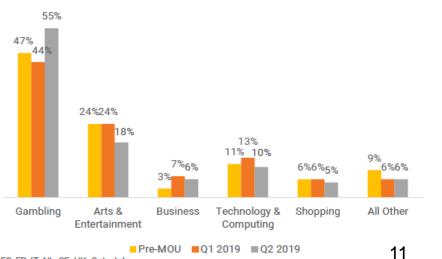
Ads from major brands have decreased post introduction of the MOU THE WHOLE AD ECOSYSTEM MUST BE ENGAGED TO MINIMISE AD REVENUE RECEIVED BY IP INFRINGING WEBSITES

MOU DATA COMPARISON OVER TIME



AD TYPE

SECTORS

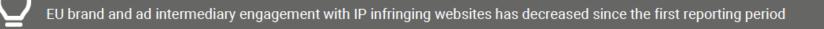


Pre-MOU tracking period covered fewer EU countries. Charts reflect data from the following countries: DE, DK, ES, FR, IT, NL, SE, UK. Only data from websites also tracked in the pre-MOU tracking period have been included

© 2019 White Bullet

whitebullet > AD FUNDED IP INFRINGEMENT MOU ON ADVERTISING AND IPR

Intelligence Taken from Top 5000+ IP Infringing Websites Tracked in 19 European Countries and US in Q2 2019



BRAND AND AD INTERMEDIARY LOCATION



Percentage of EU brands and ad intermediaries engaging with IP infringing websites has decreased from Q1 © 2019 White Bullet RISK PROFILE

IPI Index[™]

HIGH RISK



Achievements and challenges

Cooperation already brought positive results...

- useful forum which allows better cooperation between stakeholders
- sharing experiences best practices and lessons learned
- raising awareness spreading information about available tools, existing initiatives and new challenges

• ... but further progress is needed:

- wider participation to ensure:
 - proper representation of all actors involved in the distribution chain
 - more involvement of copyright holders and brands
- continue to raise awareness amongst advertisers
- inform about tools available to step up due diligence efforts



More information:

- MoU on online advertising and IPR
- MoU on the sale of counterfeit goods via the internet
 - <u>Report on the MoU functioning (2017)</u>
- <u>Study on voluntary collaboration practices in addressing</u> online infringements of trade mark rights, design rights, copyright and rights related to copyright (EUIPO, 2016)
- <u>Digital Advertising on Suspected Infringing Websites</u> (EUIPO, 2016)



Thank you!

Natalia Zebrowska Legal and Policy Officer DG GROW F3 Intellectual property and fight against counterfeiting +32 2 29 87458 Natalia.ZEBROWSKA@ec.europa.eu