



Summary

1. Music Rights Australia (MRA) wishes to thank the Australian Competition and Consumer Commission (ACCC) for the opportunity to comment on the Communications Alliance's (CA) Application for Authorisation dated 8 September 2014 (the Application).
2. While MRA welcomes CA's recognition of the negative impact which unauthorised use online of creative content has on the creative industries, MRA does not believe that the 'follow the money' strategies adopted overseas can act as alternatives to a robust rights protection environment or stand in place of an effective and efficient rights protection environment under the Copyright Act 1968.
3. However, MRA does believe that 'follow the money' strategies are complementary strategies which will help support the creative industries and so welcomes CA's interest in developing an industry - based solution to address the placement of brand advertising on illegal websites which stream or download creative content without supporting the legitimate market.
4. MRA supports the development of an industry- based approach, and has done so for over 12 months, through its work with the Audited Media Association of Australia (AMAA)¹, details of which are set out below.
5. MRA welcomes the CA's stated goal to implement 'follow the money' strategies designed to combat and limit online copyright infringement by reducing advertising revenues that flow to web-sites that are infringement focused and thus reducing the commercial incentive to be engaged in such activities. However, MRA does not believe that the CA proposal set out in the Application and the subsequent communication from John Stanton dated 12 September 2014, will achieve that goal.
6. CA's goal can be more effectively achieved through the adoption of a set of industry principles which look at the online advertising eco system and value chain as a whole, rather than by focusing only on one group such as CA's members in that eco system.

¹ www.auditedmedia.org.au



7. MRA recommends the adoption of the AMAA Australian Digital Advertising Principles rather than the acceptance of the CA Application and the development of a CA Industry Guidance Note based on the issues raised below.
8. Annexed to this submission are the current draft AMAA Australian Digital Advertising Principles and a summary document titled Australian Digital Advertising Principles FAQs. (AMAA Principles)

Background and online Infringement landscape

9. MRA is an organisation that protects the creative interests of artists within the Australian music community. MRA represents over 70,000 songwriters and music publishers through their association with the Australasian Mechanical Copyright Owners' Society (AMCOS) and the Australian Performing Rights Association (APRA), and more than 125 record labels — both independent and major — through the Australian Recording Industry Association (ARIA).
10. Australia is the sixth largest music market in the world for overall revenues and the seventh largest for digital sales. The ARIA wholesale figures for 2013 show that digital sales overtook physical sales for the first time in Australia².
11. "Globally, digital sales now account for 39 per cent of total industry global revenues and, in three of the world's top 10 markets, digital channels account for the majority of revenues."³
12. There are over 30 licensed online music services in Australia. These services offer every genre of music across a variety of platforms and devices at a range of price points, including free on some streaming services with advertising. Worldwide there are over 500 licensed online music services.
13. The music industry continues to invest in new talent, new technologies and new business models to make music available to music fans.
14. Despite the range of choices outlined above, according to the IFPI Digital Music Report 2014, approximately 26 per cent of Internet users worldwide regularly access unlicensed services.⁴
15. Licensed music is available where, when and how consumers wish to experience it, yet sites like The Pirate Bay and Kickass Torrents (both of which are websites located off shore) continue to operate and offer music for which they are not licensed. Those sites generate money for their operators

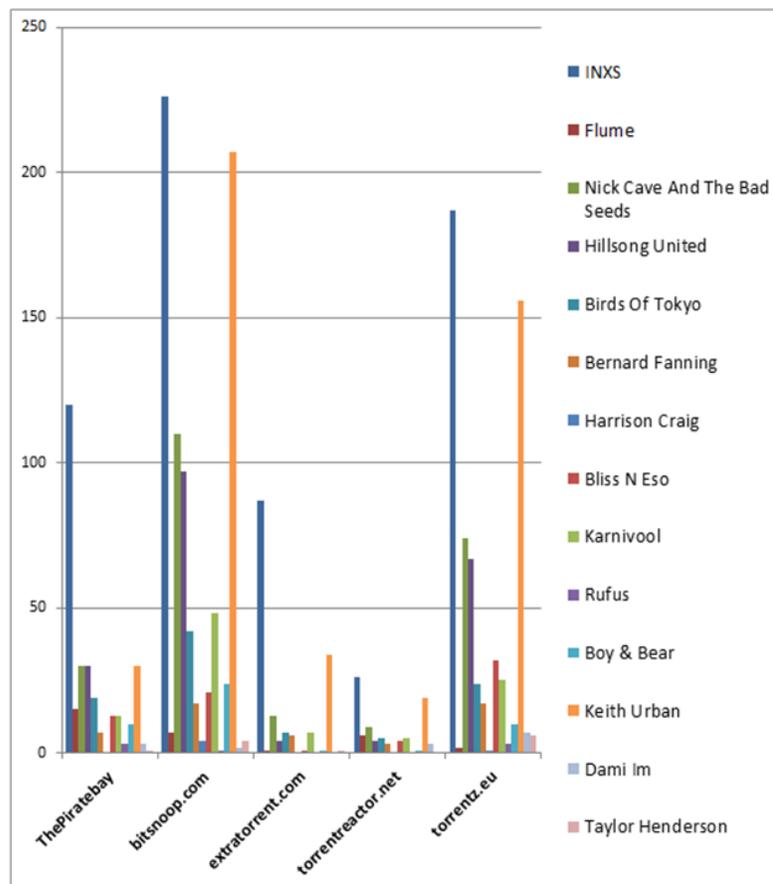
² www.aria.com.au

³ IFPI, Digital Music Report 2014 <http://www.ifpi.org/downloads/Digital-Music-Report-2014.pdf> p6

⁴ Digital Music Report p 40



from the advertising which appears on them. A recent study titled Good Money Gone Bad: Digital Thieves and the Hijacking of the Online Ad Business, by the Digital Citizens Alliance, found that the top 30 sites in the US which stream illegal content, or make it available for download, made on average USD4.4 million each year and in total the top 30 illegal sites made USD227 million. In March, MRA reviewed the top five sites identified in that study and, using the ARIA Australia No. One Albums for 2012–2013 as a guide, took a snapshot of those sites on one day and found the following artists' albums on each of the sites (the y axis represents the number of torrents available on the site with at least one seeder).



16. Every one of the No. One albums, and much of the particular artists' back catalogue, appeared on the five illegal sites. All of this music was readily available on a range of licensed online music services, including on free licensed services with advertising.



17. Despite a huge range of licensed online music services, easy access to illegal streaming and download services, including by use of P2P technologies, continues to impact the local and international music market.
18. Recently, a group of rights holders and their associations worked together to develop and launch the Digital Content Guide. The Digital Content Guide is a free service designed to help consumers find online music sites and confirm the sites which they are using are licensed. Search results often serve up illegal and unlicensed sites before they list licensed online music services, as they may not distinguish between the illegal advertising- funded services and licensed services. The Digital Content Guide helps consumers check if the services which their search queries have served up are licensed online music services which support the legitimate market.
19. MRA's stakeholders, ARIA and APRA AMCOS invest considerable resources in a range initiatives, including seminars, industry and consumer events, and the development of online resources including websites and education programs, to inform their members and the general public about music licensing practices and creators' rights. MRA also operates a website which has practical fact sheets about music copyright and rights protection issues and has links to the ProMusic website and the Digital Content Guide.
20. Both ARIA and APRA AMCOS also fund the Music Matters campaign which is a music community based program designed to remind people about the value of music in their lives.
21. A coalition of people and organisations working across the music sector, including the International Federation of Phonographic Industries (IFPI), has been producing the ProMusic service since May 2003. ProMusic⁵ is a free service which lists every licensed online music service by category around the world. IFPI also produces a range of publications, including the annual Digital Music Report, which reviews industry trends and issues. The current Digital Music Report⁶ outlines the vast range of services which international music fans now have.
22. One of the key hallmarks of digital music today is the high level of consumer awareness and engagement in digital services. Record companies are licensing a diverse range of services, successfully meeting different consumer preferences. This is illustrated in research undertaken by

⁵ www.promusic.org

⁶IFPI, Digital Music Report 2014 <http://www.ifpi.org/downloads/Digital-Music-Report-2014.pdf>
IFPI, Digital Music Report 2014 <http://www.ifpi.org/downloads/Digital-Music-Report-2014.pdf> p 11.



Ipsos Media CT across ten leading music markets for this report. Now in its second year the research shows 61 per cent of internet users aged 16-64 engaged in some legitimate digital music activity in the past six months. Among younger consumers (16-24) this figure is higher at 77 per cent.

23. The research also finds that consumer satisfaction with digital services remains high. Three quarters of licensed services' customers (76 per cent) described them as "excellent", "very good" or "fairly good" while even the majority of those using unlicensed services (56 per cent) recognise "there are good services available for legally accessing digital music".
24. It goes without saying that record labels, music publishers, musicians' management and distributors invest heavily in marketing and promotional activities to ensure that music fans know how to find the music they produce, license and sell.
25. As the music industry's experience makes clear, pervasive online copyright infringement is not caused by a lack of availability and affordability of lawful content or a lack of consumer awareness of legitimate services. Other factors, including the ease with which consumers can access unlawful material, are more significant contributors to this problem.
26. Effective rights protection is an essential component of a legal infrastructure that encourages businesses to invest in new content and innovative business models to meet consumers' legitimate expectations. This is equally true in the physical as well as the online environment.
27. The legal environment in which that investment takes place should also support the industry by having efficient and effective measures so that creators, and those who invest in them, have the tools to ensure their work is respected and protected online from those who seek to exploit it without rewarding them.
28. The Federal Government is currently looking at the role of rights protection online and MRA submits that the CA Submission should be considered in light of this review. A 'follow the money' strategy will support and complement the legal framework for rights protection online but it will not act as a substitute for an effective and efficient rights protection environment. That is why MRA has been working for over 12 months to develop an industry solution with AMAA.



Digital Advertising Principles — brand safety initiative

29. MRA has been working to develop a local online advertising code which would complement work being done internationally. See CA's Application annexure Follow the Money Financial Options to Assist in the Battle Against Online IP Piracy.
30. Since October 2013, MRA has worked with the AMAA to raise awareness about how advertising dollars support illegal sites such as Kickass Torrents, Bitsnoop and The Pirate Bay. These sites only make money for those who operate them and nothing goes back to creative content owners.
31. MRA spoke at the AMAA Accountability in Ad Spend Conference in October 2013. At that conference it was agreed that AMAA and MRA should develop industry guidelines in the form of an industry code which would ensure that each section of the online advertising value chain had in place practical processes and guidelines to reduce the instances of brands placing their advertising on illegal streaming and downloading sites.
32. The draft principles were developed and a series of industry briefings and private meetings were held to obtain feedback and to ensure wide cross- industry support from the creative industries, advertisers and the online advertising community, including the ad platforms and ad networks.
33. However, despite agreement that there is a problem and that something has to be done, and that an industry- based approach is the preferred process to address the problem, there continues to be some reluctance to implementation of the principles from those groups within the online advertising value chain which benefit from the status quo.
34. MRA and AMAA have consulted with the peak bodies such as the Australian National Advertisers Association (ANAA) and Australian Direct Marketing Association (ADMA) and look forward to working with CA and its members on further consultation about the AMAA Principles.
35. MRA submits that as the AMAA Principles have been developed in consultation with industry stakeholders and are based on international best practice, including practices referred to in the CA Application, that CA and its members should adopt the AMAA's Principles and work with AMAA to implement them rather than to continue to develop its own Industry Guidance Note which appears to only look at one aspect of the online advertising eco system and so will have little practical impact on the issue of brand placement on online illegal websites and so not achieve CA's stated goal.



36. The role that advertising plays in funding illegal sites has been recognised world-wide and was the subject of the report Follow the Money: Financial Options to Assist in the Battle Against Online IP Piracy, which was annexed to CA's Application.
37. That report outlines the range of initiatives which are currently being implemented world-wide, including initiatives to engage with online advertising communities and payment providers, and the work being done by the City of London Police to disrupt illegal sites' business models.
38. The report specially looks at the work being done under Operation Creative which has been developed to stem the flow of revenue to infringing sites through the development of the infringing website list (IWL). The IWL is compiled by rights holders and industry bodies and is managed by the City of London Police. The music industry, through the British Recorded Music Industry (BPI) and IFPI, are participating in Operation Creative and are part of the group known as Operation Creative Partners. The IWL is a portal for the digital advertising sector to get up to date information on sites which have been verified as offering infringing copyright material.
39. It is MRA and AMAA's intention to leverage these international examples in the implementation of a pilot of AMAA's Principles.
40. The City of London Police established the Police Intellectual Property Crime Unit (PIPCU) which focuses on IP crimes. It is funded by the Intellectual Property Office, which is part of the Department of Business Innovation and Skills. Utilising the strict British anti-money laundering legislation, the PIPCU worked with rights holders and payment providers on an evidence based approach to proactively remove services from illegal websites. In its submission to the Federal Government's discussion paper on Online Copyright Infringement MRA suggested that the Government undertake a review of this initiative to determine whether a cooperative relationship between the Australian Federal Police and the City of London Police could be developed to leverage the work it has undertaken on this issue and also in the development of Operation Creative.

Communications Alliance Application

41. MRA welcomes CA willingness to investigate initiatives which seek to limit the revenues which flow to illegal websites (in the Application referred to as "Infringement Websites").
42. While MRA welcomes the recognition of the role which the advertising dollars play in supporting the illegal websites, MRA is concerned that CA's Application and proposal does not adequately address



the role which brands can play in combating this issue; the scope of the problem or indeed the technologies which are involved in brand placement on websites in the online advertising environment, and so will do little to address the issue and will therefore not achieve CA's goal.

43. We also note that CA has only referred to overseas data which does not necessarily reflect the local issues.⁷

44. Particular concerns with the Application include:

- a. Limited to Australian sites – CA appears to misunderstand how the online advertising processes work. Most advertisements are not specifically placed on local online sites. Rarely, if ever would a brand owner know its advertising was appearing on an illegal site and most of these sites are located off shore. Therefore, limiting the proposed Industry Guidance Note to Australian sites would be of minimal value.
- b. The limitation to downloading and up loading torrent sites does not reflect the full scope of the illegal sites which are advertisement supported. Below is a screen shot of a MRA presentation which shows the range of illegal online services all of which are advertising supported.
- c. "Preparation and maintenance of specified Infringement Websites "(page 3 of Application). MRA is concerned that such a list would be of minimal use particularly if it were restricted to local illegal websites. Even if the list did include international illegal sites it would really only be replicating the work currently being done by the City of London Police. In its submission to the Federal government on the Online Copyright Infringement discussion paper MRA recommended that the Government facilitate discussions between the City of London Police and The Australian Federal Police to determine if industry participants to the AMAA Principles could be given access to the Infringing Website List (IWL) portal to determine if sites were in fact illegal sites. See reference City of London Police in the AMAA Principles.
- d. MRA submits that use of and access to the IWL will overcome competition concerns and if used in conjunction with the AMAA Principles, CA's members will have a robust and effective process to avoid placement of their advertising on illegal and other inappropriate websites and they will not need the authorisation currently being sought.

⁷ <http://www.adnews.com.au/adnews/coles-ing-hyundai-ford-telstra-among-blue-chips-snared-by-click-fraud-trap>



- e. CA's references in paragraph 2(a) of the Application to alternative proposals which are currently being used for example ADMA and IASH. The IASH model referred to in paragraph 2(a) of the Application is actually the forerunner of the AMAA's Principles document. The AMAA (through its ABC audit brand) was the Australian facilitator, official secretariat and auditor of the Australian IASH Code of Conduct, which was an industry association created by internet advertising sales houses (IASH), and whose key members included Ad2One, Adconion, Digital Network Sales, GorillaNation (now Evolve Media) Komli, MaxInteractive, (now Ybrant Digital), TribalFusion and Valued Interactive Media.
- f. The digital display market has evolved significantly in the last few years. IASH was a system designed for the advertising network / sales house business models, and its Code of Conduct was not flexible enough to allow for other trading models and technologies. The AMAA's Principles aim to cater for all existing trading models and technologies. The AMAA's Australian Digital Advertising Principles address the changes in digital advertising and facilitation. AMAA's Principles have been developed to cover each group within the online advertising value chain and as such create an effective, industry-based comprehensive solution to ensure online digital media operates in a trusted environment which benefits rights holders, brand owners and online intermediaries.

45. MRA welcomes the intent of the CA Application to curb brand placement on illegal websites to disrupt their business model by stopping the flow of funds from advertising placements but urges the ACCC to reject the Application as there are currently more robust, comprehensive and effective proposals being development by industry which will address this issue and which have the potential to be more effective in achieving CA's stated goals.

MRA looks forward to working with CA and other stakeholders to progress this initiative and would be more than happy to answer any more questions which the ACCC may have.

Vanessa Hutley

General Manager

Music Rights Australia Pty Limited



Annexures

Australian Digital Advertising Principles

V1.1 - DRAFT

September 2014

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Audited Media Association of Australia.

www.auditedmedia.org.au

CONTENTS

1. Introduction
2. Australian Digital Advertising Principles
3. Notes, accompanying the Principles
4. Definitions
5. Compliance and Enforcement

Appendix 1 – Sample Primary Agreement

Appendix 2 - JICWEBS

Based on the [UK JICWEBS Digital Trading Standards Group](#) 'Good Practice Principles' published in November 2013.



The Australian Digital Advertising Principles

1. Introduction

The intention of the Principles is to engage and educate the Australian marketplace to significantly reduce the risk of the misplacement of display advertising on digital media properties, uphold brand safety and protect the integrity of digital advertising. The principles and their implementation also reflects a common goal: that digital display advertising should not support inappropriate or illegal content or services.

The Principles cover commitments for all businesses involved in the buying, selling or facilitating of display advertising as defined in section 4. These Principles, however, do not apply to Facilitators providing standalone ad serving services.

The Principles are administered by the Audited Media Association of Australia, the not-for-profit media industry organisation that brings together advertisers, media buyers and media companies with a common interest in accountability.

The AMAA creates trust and accountability between buyers and sellers through media data verified to industry agreed standards. The AMAA has an impressive 80-year history delivering media accountability.

AMAA verifies print and digital circulation and distribution, website analytics, exhibition and conference attendance and email newsletter distribution.

1.1 What is digital advertising trading?

Digital display advertising – ads that are displayed on digital media properties or other connected applications - commands a growing share of media spend and helps to fund content, services and applications at little or no cost to consumers.

Digital ad trading is the term given to the buying and selling of display media. The way in which digital display media is bought and sold has dramatically changed over the last 10 years and, as the market matures, so does the way in which this media is traded.

2. The Principles

1. The Buyers and Sellers of digital display advertising will ensure that the transaction is one that follows either (a) a Primary Agreement or (b) the specific terms and policies within an agreed or signed contract. See Appendix 1 for an example of a Primary Agreement. See Note A.
2. A Primary Agreement, or the specific terms and policies within an agreed or signed contract, should include the Buyers and Sellers' intention as to where the advertising should (or should not) appear. See Note A. The Buyers and Sellers should select from one or both of the following means to minimise ad misplacement:
 - a. Independently-certified (to the UK JICWEBS standards) Content Verification (CV) tool (criteria agreed between the Buyer and Seller pre-delivery); or
 - b. Appropriate / Inappropriate Schedules (criteria agreed between the Buyer and Seller pre-delivery). See Notes B and C.
3. Sellers should confirm that reasonable endeavours will be applied to minimise the risk of ad misplacement, irrespective of whether inventory is sourced directly or indirectly.
4. Sellers should be able to explain the process(es) that form the basis of these reasonable endeavours.
5. Both Buyers and Sellers should understand any contractual consequences should they fail to monitor this process and respond appropriately to ad misplacement via take down.
6. Following a commitment to these Principles, each Signatory will have their ad misplacement minimisation policies independently verified by the AMAA within six months and thereafter every year. Further details of this process are detailed in the compliance and enforcement paper accompanying these Principles.

3. Notes:

Note A.

Principles 1 and 2 can be incorporated into agreed or signed contract terms and policies as long as they cover the substantive points regarding the methods for minimising 'ad misplacement'. See Appendix 1 for an example of a Primary Agreement.

Note B.

A Facilitator will abide by any such criteria selected by the Buyer and / or Seller in the user interface provided by that Facilitator.

Note C.

No suggested criteria or scheduling, nor any form of 'inappropriate' destinations will be drawn up, maintained or approved by the AMAA in relation to these Principles. The designation of such information is a matter solely for the Buyer to determine. Sources used may be referenced in a Primary Agreement or other industry information as required by the Buyers but with a clear disclaimer that such sources and information are not the responsibility of the AMAA.

4. Definitions

The Australian Digital Advertising Principle definitions are based on based on JICWEB UK's Digital Trading Standards Group 'Good Practice Principles' published in November 2013.

Display advertising: Display advertising is the display of visual files including images, Flash and video ("Display Ads") provided by Buyers to Sellers on a digital media property (or other connected application) when an internet user visits the digital media property. Display Ads come in varying formats.

Seller: A Seller is a business that **sells** or is responsible for the placing of display advertising on digital media properties (or other connected application) (e.g. advertising network).

Facilitator: A Facilitator is a business that provides a technology platform with the primary purpose of brokering, for compensation, the **placement** of display advertisements between Buyers and Sellers (e.g. advertising exchange). Facilitators provide the tools and controls to enable Buyers and Sellers to help protect brand safety in line with DTSG requirements.

Buyer: A Buyer is a business that **buys** display advertising from a Seller (advertiser or agency).

Primary Agreement: A Primary Agreement is a set of terms agreed between the Buyer and Seller.

Content Verification (CV) Tool: A CV tool is a technology product or service that may block or report the serving of a display advertisement onto destinations that have been defined as inappropriate to the advertising campaign by the Buyer.

Inappropriate / Appropriate Schedules: These Schedules may include/exclude sites, URLs or applications that are deemed either appropriate or inappropriate by Buyers and Sellers. Buyers' and Sellers' agreement to the criteria for these Schedules, whether communicated through the user interface or some other channel, should be pursuant to a Primary Agreement or terms and/or policies.

5. Compliance and Enforcement

Following a commitment to the Principles, each Signatory will have their ad misplacement minimisation policies independently verified by the AMAA and CV Tools verified by the ABC UK, (a JICWEBs approved provider) within six months and thereafter every year.

This section, sets out how this process will work for the review of a Signatory's policies by the AMAA and the requirements for CV Tool verification. The AMAA Digital Working Committee may evolve the detail and depth required from independent verification, as the Principles themselves evolve.

5.1 Independent Policy Verification Process

The AMAA will check the Signatory's compliance with the Principles. The Signatory must provide the Verification Provider with relevant information regarding the ad misplacement policies in force, and supplement such information by email or telephone correspondence as required.

Relevant written information may include:

- A. Contract terms and policies relating to the transactions of ads;
- B. A statement of reasonable endeavours applied to minimise the risk of ad misplacement,
- C. Internal policies, procedures and controls relating to the placement of ads, such as the:
 - i. details regarding the use of CV tools and appropriate / inappropriate schedules;
 - ii. names and training of personnel with enforcement responsibility; and
 - iii. enforcement process.

The AMAA will provide the Signatory with (a) a written report of its findings and, (b) if it determines that the Signatory's policies are compliant with the Principles, a compliance certificate confirming that the independent verification has taken place and that the Signatory has established policies to minimise ad misplacement as described in the Principles.

A Signatory failing to provide the necessary and supporting evidence to the approved provider will not receive a compliance certificate and will therefore not be meeting the standards set out in the Principles. This will be stated as such once the timescales above have been exceeded.

Please note: Independent Verification is limited solely to whether the Signatory has implemented policies for minimising ad misplacement in compliance with the Principles.

It does not extend to testing the effectiveness of any processes, procedures or controls for ad misplacement. The compliance certificate issued by the Verification Provider only covers the Signatory's policies for minimising ad misplacement.

5.2 Content Verification (CV Tool) verification

Where a Signatory utilises a CV Product or Tool that tool must be independently certified by the ABC UK to JICWEBS Content Verification (CV) Product Principles. Refer to www.jicwebs.org

See Appendix 1 – JICWEBS Content Verification (CV) Product Principles

5.3 Ratification of Audit Results and Appeals Process

5.3.1 Ratification of Results

Once the audit has been completed, the auditor will submit the results to the Chair of the ADAP Committee. The Chair of the Committee will review the findings and **either:**

- (a) Recommend that the auditee has PASSED its audit, or
- (b) if the results are not a clear PASS, call a meeting of the ADAP Committee to review the audit findings.

5.3.2 Appeals Process

- (a) Following ratification, the auditee will be notified and will have 5 working days from notification to present any appeal to the ADAP Committee. Only one appeal per audit is permitted, and the ADAP Committee's decision is final.

- (b) Where any previously ratified audit result is overturned on appeal, the revised result must be ratified by the ADAP Committee.

- (c) The Chair of the ADAP Committee shall have discretion, to be exercised reasonably, to promote the interests of the ADAP in ways that are not covered by the Principle, subject to the oversight of the ADAP Committee.

5.3.3 Accreditation

- (a) Any ADAP Signatory will be entitled to promote its accreditation as being compliant with the Australian Digital Advertising Principles, providing such publicity is in itself compliant with the Principles and AMAA Publicity Regulations. This includes use of a dated ADAP Signatory kitemark which is effective until such time as the signatory is referred for a re-audit, suspended or expelled, as well as reference to such compliance (always including the date of issue of accreditation) in sales and other material.

- (b) Any ADAP Signatory referred for a re-audit can elect to be audited for a month of their choice, or may opt to join the next round of regular audits in accordance with Article xxx above, according to their preference.

5.4. Breach of the Australian Digital Advertising Principles

An ADAP Signatory found to be purchasing Inventory other than in accordance with these Principles will receive a warning from the ADAP Committee that their Signatory status is in jeopardy and/or brought to a quorate meeting for review.

5.5 Sanctions for breach of the Principles

The following sanctions for breach of these Principles are available to the ADAP Committee:

(a) Censure

The ADAP Signatory Member is notified internally that they have been reprimanded; no other action is taken against them. Censure will normally apply for one audited infringement of the Principles or multiple similar or related infringements that are found in one audit, provided the infringements are not considered serious by the ADAP Committee.

(b) Referred for re-audit

The ADAP Signatory Member is notified it is required to submit for a re-audit, and this is announced publically.

(c) Suspension

The ADAP Signatory Member is notified that its Membership has been suspended, and this is announced publically. The ADAP Signatory Member is suspended for a minimum of a 6-month period until a simple majority vote of the Signatory Representatives of the ADAP Members on the ADAP Council that the reasons for suspension have been rectified and the suspension may be lifted. Successful completion of an ADAP audit may be required as a condition of the suspension being lifted.

(d) Expulsion

The ADAP Signatory Member is notified it has been removed from ADAP compliance, and this is announced publically. Expelled ADAP Signatory Members must, as a minimum, complete and pass an ADAP audit before being considered for re-admission as an ADAP Signatory.

It is intended that the ADAP Committee should recommend one of these sanctions where an ADAP Signatory Member is found to be in breach of the Code as a result of an audit.

Appendix 1

Sample Primary Agreement

Australian Digital Advertising Principles registered Business Name: XXX Ltd

XXX Ltd has systems in place to minimise the risk of ads being displayed alongside inappropriate inventory that is sourced directly and / or indirectly.

XXX Ltd enables the following to minimise the risk of ad misplacement:

- A. Appropriate/Inappropriate schedules (criteria agreed pre delivery between the Buyer and Seller)
- B. Independently-certified CV Tools (certified to the UK JICWEBS standards) (criteria agreed pre-delivery between the Buyer and Seller) "

A. Appropriate/inappropriate schedules: If A has been ticked, state the policy for appropriate and/or inappropriate schedules and explain how this is agreed by the recipient, pre-delivery of ads.

B. CV Tools: If B has been ticked state which tool(s) are used? Is it (are they) certified by an independent third party to the UK JICWEBS standards? How is it (are they) configured and used eg: *for blocking and or monitoring ad delivery?* On all campaigns or specific ones? What criteria are agreed pre-delivery of ads?

State or reference documentation which explains how XXX Ltd monitors delivery of ads, its ad take down policy and any contractual consequences of this policy not being implemented.

Signed : A. Seller (on behalf of XXX Ltd)

Signed : A. Buyer (on behalf of YYY Ltd)

Appendix 2

JICWEBS Content Verification (CV) Product Principles

JICWEBS have sought to bring clarity to the claims of CV products by delivering a set of industry agreed principles and a certification programme. These principles are designed to test the ability of CV products to block and/or report, in real time, the serving of an online ad onto destinations that have been defined in advance by the client as inappropriate to a campaign. Inappropriate content in this context refers to any words deemed by the advertiser as unsuitable for the campaign, including brand conflicting content.

CV Principles

A CV Product will be tested against the following principles:

- 1 Block the serving of advertising on to pages which contain content, deemed to be inappropriate by the advertiser, in HTML source code. Detect inappropriate words on a web page or the code of that web page before or after the ad appears.
- 2 Block the serving of advertising on to pages which contain words in content delivered via a linked file deemed to be inappropriate by the advertiser. When the page appears in the browser it displays content pulled from another source which may be unrelated to the expected content on the page.
- 3 Register changes in page content and then block the serving of advertising on to pages which contain content, deemed to be inappropriate by the advertiser, in real time. A page which has rapidly changing content such as a Forum.
- 4 Block the serving of advertising on to domains and sub-domains, deemed inappropriate by the advertiser. An inappropriate text string in the domain or sub-domain name such as `http://inappropriate.com` OR `http://inappropriate.safesite.com`
- 5 Block the serving of advertising on to pages which contain words in the URL, deemed to be inappropriate by the advertiser. An inappropriate text string contained within the URL such as `http://normal.com/okay/inappropriate.aspx`

- 6 Block the serving of advertising on to aliases of an URL or domain, deemed to be inappropriate to the advertiser. A URL may look like <http://normal.com/safe.aspx> but the page that is displayed is <http://inappropriate.com/unsafe.aspx>
- 7 See through iframes and block the serving of advertising if keywords or URLs, deemed to be inappropriate, to the advertiser, are detected. Inappropriate words may be contained within the iframe which is embedded on a web page and the ad is served on the page, or vice versa.

An approved CV Product will also be able to serve ads correctly in equivalent scenarios that contain only appropriate content. In addition, the CV Product will:

- 1 Operate consistently in allowing or blocking advertising when JavaScript is disabled. If the product requires JavaScript to be enabled by a browser for it to make a decision as to whether the content is appropriate or not, does it block the serving of ads if JavaScript is disabled?
- 2 Be capable of incorporating any list of keywords or URLs, deemed to be inappropriate by the advertiser, into the CV product within 2 working days of that new list being produced.
- 3 Be configurable to block the serving of advertising to any URL not previously checked as safe, until the status is known, if identification of content is not in real time.

The objective of ABC UK's test programme is to verify whether a CV Product is capable of meeting claims in relation to some or all of the principles above. For the purpose of ABC testing note:

- 1 *Capable* is defined as once configured; the product consistently blocks or serves ads under different scenarios during the period of testing.
- 2 *Blocking, in real time* refers to the decision to serve or not serve the ad and not any spidering or pre-classification activity.

ABC UK Test Programme Caveats

ABC UK's audit opinion confirms only that the CV Product is capable of preventing ad delivery when configured correctly (with certain exceptions as stated below) on Inappropriate Content, but does not guarantee that no ad will ever be served onto an inappropriate site when the CV Product is used in real life. The following specific caveats must also be noted:

- Testing is at a point in time and on a limited scale.

- ABC will test that the CV product hasn't been configured to block serving of ads in all tests by default.
- The test programme does not verify the scalability of the product.
- The context of testing does not fully reflect real life conditions such as multiple campaigns running in multiple sites.
- The test programme does not verify implementation times required in real life.
- The test programme only verifies that the product blocks on the basis of HTML text and URLs. It does not verify that the product blocks all content formats, particularly non-HTML (e.g. AV content, images etc.).
- The scope of ABC's opinion is limited to English-language content.
- Testing is carried out on one specified version of the CV product.

Testing does not examine any impact that the CV product may have upon campaign delivery.