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AdBlocker: A new right right for users or a new threat for the internet?

Introduction

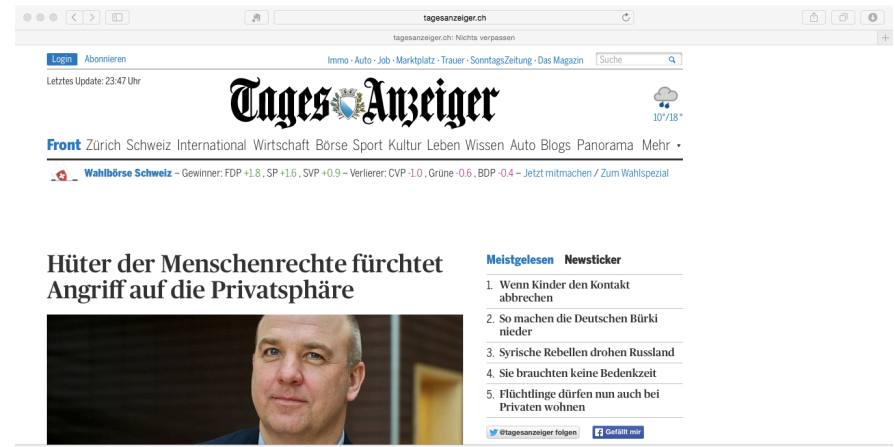
IBA Annual Meeting
Vienna, Oct. 6th, 2015

Lukas Bühlmann, LL.M., Zurich
Bühlmann Attorneys at Law Ltd.
www.br-legal.ch



AdBlocking..... How does it work?

- Extensions for browsers, email-clients or security software tools
- Installation may be initiated by users or pre-set
- AdBlocker-tool will then exclude the display of ads or control which ad is displayed and which ad is not
- „White-listing“ either by the user or by the provider of the adblocking software
- Business models involved vary but regularly include „white-listing“ of permissive ads against payment of fee by advertiser



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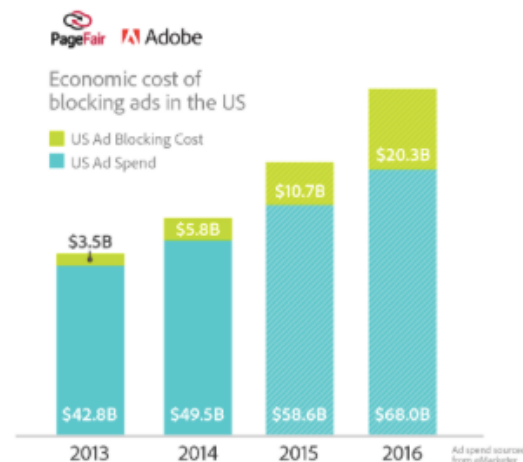
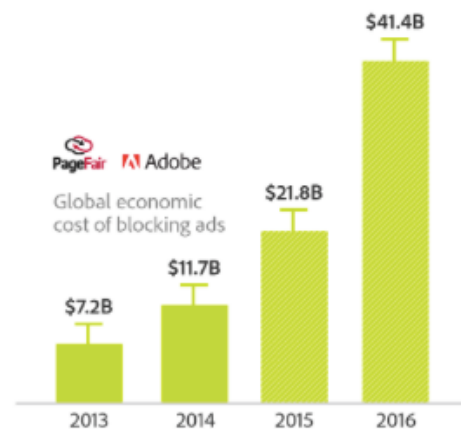
The Cost of Blocking Ads

The findings

- Ad block usage in the United States resulted in an estimated **\$5.8B** in blocked revenue during 2014. It is expected to cost **\$10.7B** in 2015 and **\$20.3B** in 2016.
- The global cost of ad blocking is expected to be **\$41.4B** by 2016.

The bottom line

Although the 198 million MAUs in Q2 2015 represents only 6% of the global internet population, ad blocking is estimated to cost over \$21B in 2015, which is 14% of the global ad spend..



Global Ad Blocking Growth

Blocking ads continues to build on the strong growth rates seen during 2013 and 2014.

The findings

- Globally, usage of ad blockers grew by **41% YoY** (Q2 2014 - Q2 2015).
- As of June 2015, there were **198 million** monthly active users for the major browser extensions that block ads.



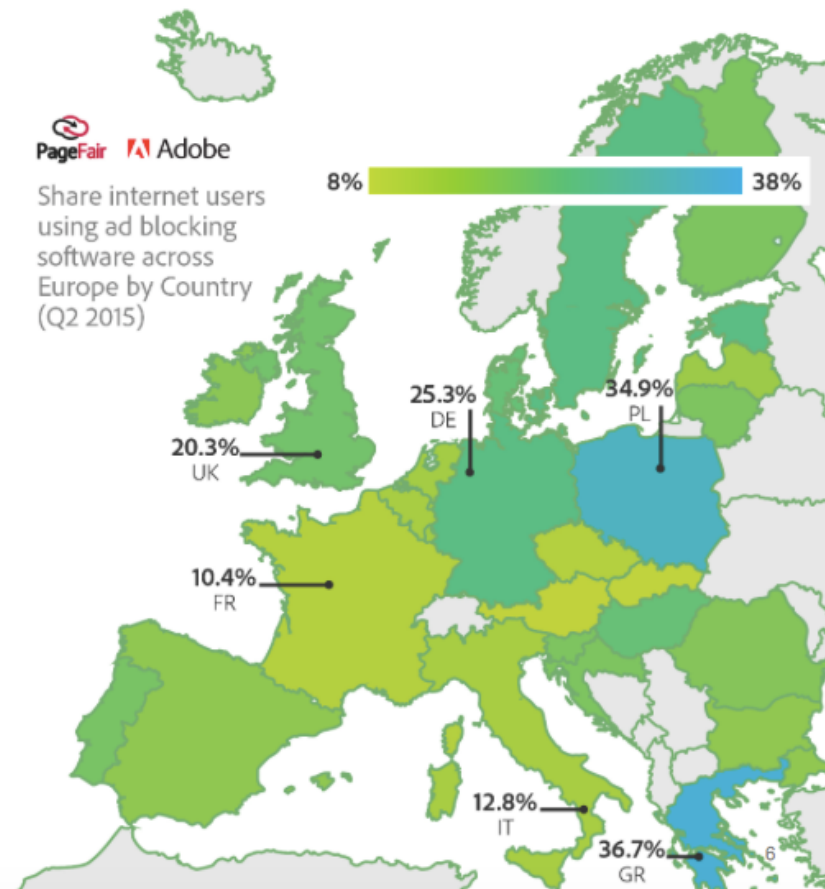
Usage of ad blocking software in Europe

Ad block usage in Europe grew by 35% during the past year, increasing to 77 million monthly active users in Q2 2015.

The findings

- Ad block usage in the UK increased by **82%** during the past year, reaching **12 million** average monthly active users in Q2 2015.
- Ad block usage in Germany increased by **17%** during the past year, reaching **18 million** average monthly active users in Q2 2015.
- Greece has the highest rate of ad block usage in Europe.
- Slovakia has the lowest rate of ad block usage in Europe.

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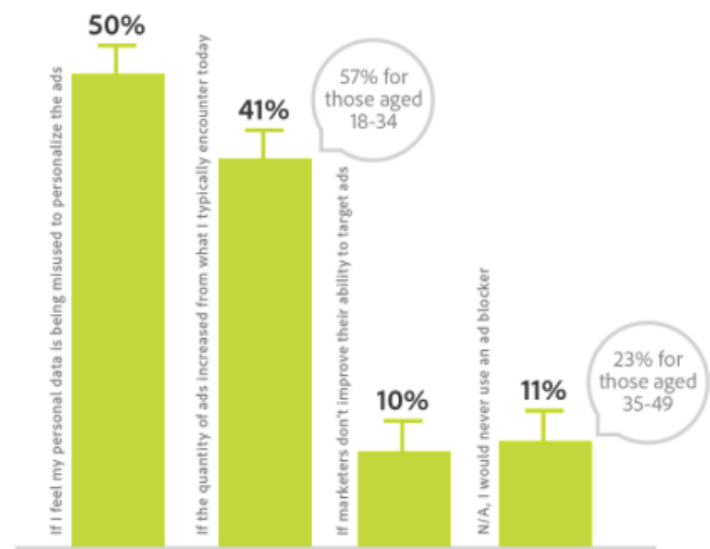


Reasons to start using an ad blocker

We surveyed 400 respondents in the US and asked them to weigh in on ad blocking. Of the respondents who are not currently using an ad blocking extension, we asked what would cause them to change their minds.

The findings

- Misuse of personal information was the primary reason to enable ad blocking
- An increase in the number of ads was more important among millennials
- 1 in 4 respondents aged 35-49 do not have any desire to ever use ad blocking software.



Reasons to start using an ad blocking plug-in



There's no such thing as a free lunch.

(Milton Friedman)

izquotes.com

Many questions:

- How serious is this threat for the internet industry?
- What is the price tag with AdBlocking?
- Is it legal? If yes, to what extent?
- What are the relevant legal arguments in favour and against the legality of adblocking?
 - Copyright
 - Unfair competition
 - Anti-trust
 - others....?
- How does the industry react?
- Legality of countermeasures?



Session Outline:

- **Part One – AdBlocking from a regional perspective**
 - Relevance & state of the law in the EU (Dr. Arthur Stadler)
 - Relevance & state of the law in Asia (John Eastwood)
 - Relevance & state of the law in the US (Fatima Khan)
- **Part Two – Stakeholder's views**
 - The AdBlocker's & Consumers view (Kai Recke, eyeo GmbH)
 - The view of the Publishing Houses and Content Providers (Dr. Phlipp-Christian Thomale, Axel Springer SE)
 - The view of AdNetworks and Advertisers (Fatima Khan)
- **Part Three – Special topical focus and outlook**
 - Antitrust law aspects of AdBlocking and counter-measures (Dr. Reinhard Siegert)
 - Legal limits of „blocking AdBlockers“ (Dr. Martin Schirmbacher)