

SVB Online Seminar

Are You Tracking This? The Feds are Moving on Internet Privacy

March 17th, 2011

Panelists

- Jim Anderson, Head of Software, Internet and eCommerce Practice, Silicon Valley Bank
- Lydia Parnes, Partner, Wilson Sonsini Goodrich & Rosati, and former director of the Bureau of Consumer Protection (BCP) at the Federal Trade Commission (FTC)
- Alex Fowler, Global Privacy and Public Policy Leader, Mozilla Corporation
- Josh Jacobs, Senior Vice President of Brand Advertising Products & Marketing, Glam Media

Agenda

Internet Privacy

Who is Out There?

View From Inside the Beltway

Implementing Do Not Track in Firefox

The Web Publisher and Marketing

Perspective

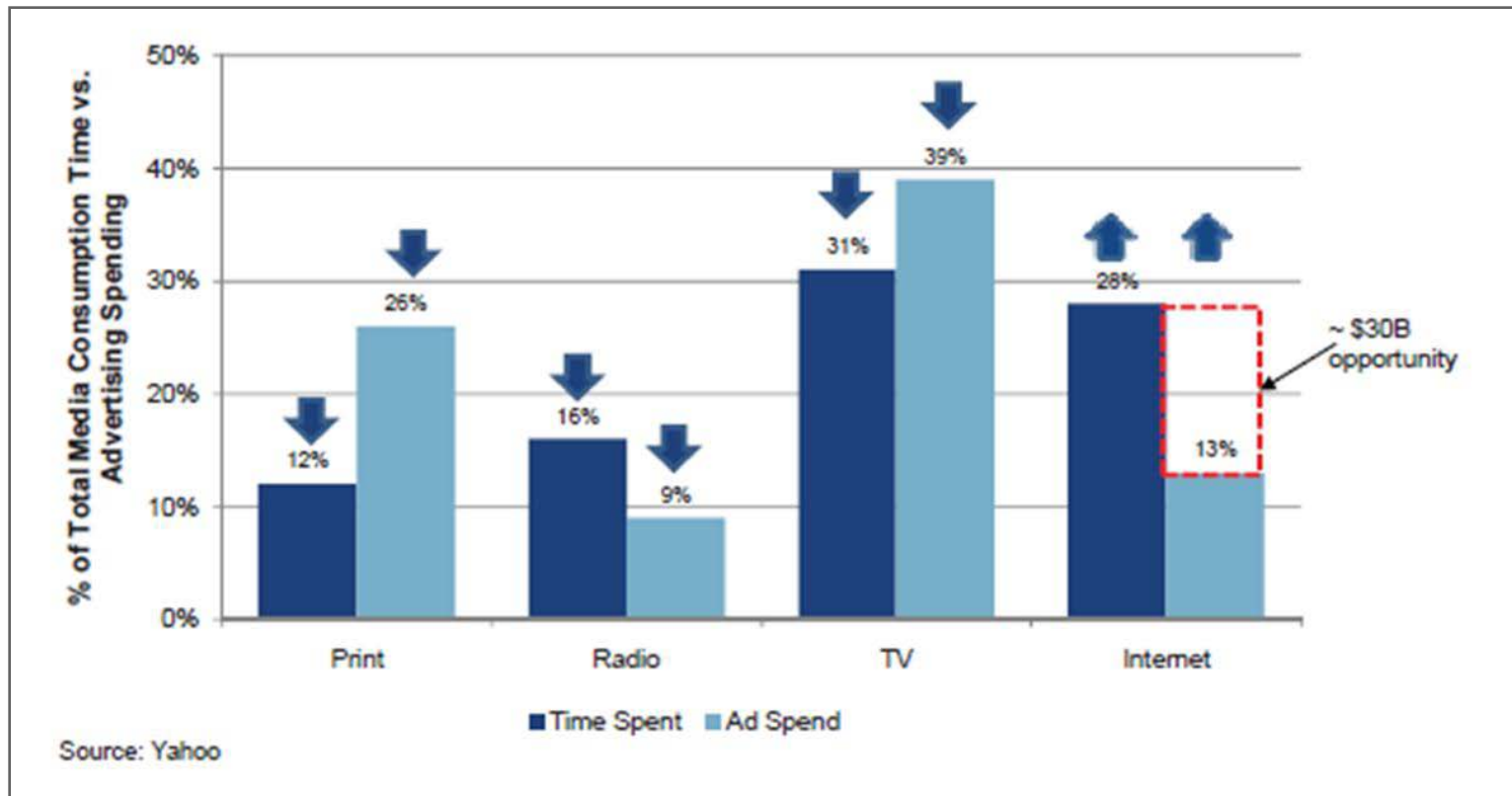
Does It Matter?

Internet Privacy

The Internet, Privacy and Value

- The WSJ runs a series of exposés on Internet tracking and consumer profiling to enhance ad placement (July 2010)
- The Department of Commerce Internet Policy Task Force issues an 80-page “policy framework” (December 2010)
- A McKinsey study shows that consumers reap a net annual benefit of \$130 billion from free web-based services (paid for by advertising) (January 2011)
- Congressman Jackie Speier introduces “do-not-track” legislation (February 2011)
- McCain, Kerry circulate “online privacy bill of rights” (March 2011)

Are Advertisers Missing an Opportunity?



Who is Out There?

View From Inside the Beltway

Lydia Parnes

Online Advertising



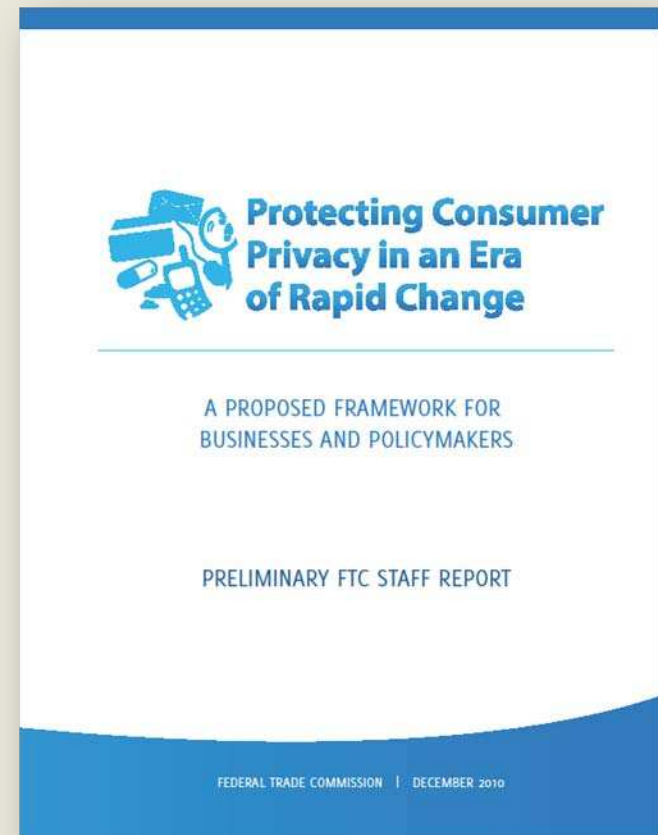
A New Perspective?

“Most of the online world is based on a simple, if unarticulated, agreement: consumers browse Web sites free, and in return, they give up data — like their gender or income level — which the sites use to aim their advertisements. The head of the Bureau of Consumer Protection at the Federal Trade Commission, David C. Vladeck, says it is time for that to change.”

<http://www.nytimes.com/2009/08/05/business/media/05ftc.html>

Privacy Report Major Principles

- Privacy by Design
- Simplified Choice
- Greater Transparency



Privacy by Design

- Envisions comprehensive data management procedures throughout the product/service lifecycle
- Incorporates substantive privacy protections into company practices
 - Data security
 - Reasonable collection limits
 - Sound retention practices
 - Data accuracy



Simplified Choice

- Consumers should have choice about both data collection and usage
- Choice mechanism should be offered at point consumers provide data
- “Do Not Track” proposed as simplified choice mechanism
- Choice not required for a narrow set of practices
 - Fulfillment
 - Internal operations
 - Fraud prevention
 - Legal compliance
 - First-party marketing
 - Contextual advertising

Greater Transparency

- Clarity: Streamlined and standardized privacy notices
- Access: Reasonable access to consumer data
- Changes: Consumers must opt in before companies may use consumer data in a materially different manner than claimed when the data was collected
- Education: Increased need for consumer education regarding commercial privacy practices

Department of Commerce Privacy Framework

- Encourages nationwide use of Fair Information Practice Principles (FIPPs)
- Promotes voluntary, enforceable codes of conduct
- Advocates for global interoperability
- Recommends development of national security breach notification requirements



Legislative Reaction?

- Congresswoman Jackie Speier
 - “The Do Not Track Me Online Act of 2011”

- Senator John Kerry
 - “Commercial Privacy Bill of Rights Act of 2011”

mozilla

DNT: 1

Implementing Do Not Track in Firefox
Alex Fowler

Talking Points

Brief you on Mozilla's Do Not Track feature for Firefox 4 and share with you...

- Some info on Mozilla and how we view privacy
- Why we decided to offer a HTTP header for DNT
- How users enable the DNT header
- Some initial ideas on what you can do

How will you respond when consumers visit your site with DNT: 1 enabled?

Mozilla Overview

About Mozilla

- NGO dedicated to improving the Internet experience for people everywhere
- Believes free and open source software is fundamental to maintaining the Internet as a global resource
- Advocates for users on the web; encourages industry-wide innovation
- Home of the award-winning browser Firefox
 - Current market share: 24% worldwide; 35% in EU
 - Active users: ~400 million

Mozilla's Data and Privacy Operating Principles

I. No Surprises

II. Real Choices

III. Sensible Settings

IV. Limited Data

V. User Control

VI. Trusted Third Parties

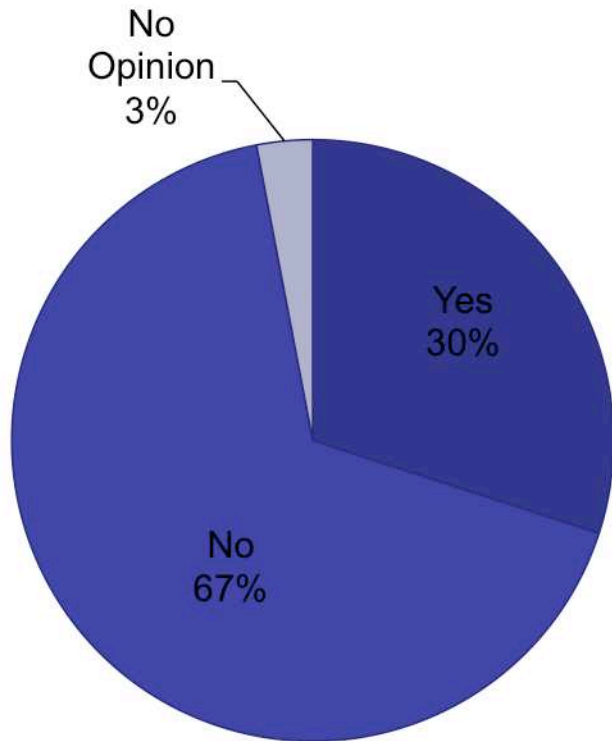
Do Not Track

Online Tracking for Behavioral Advertising is:

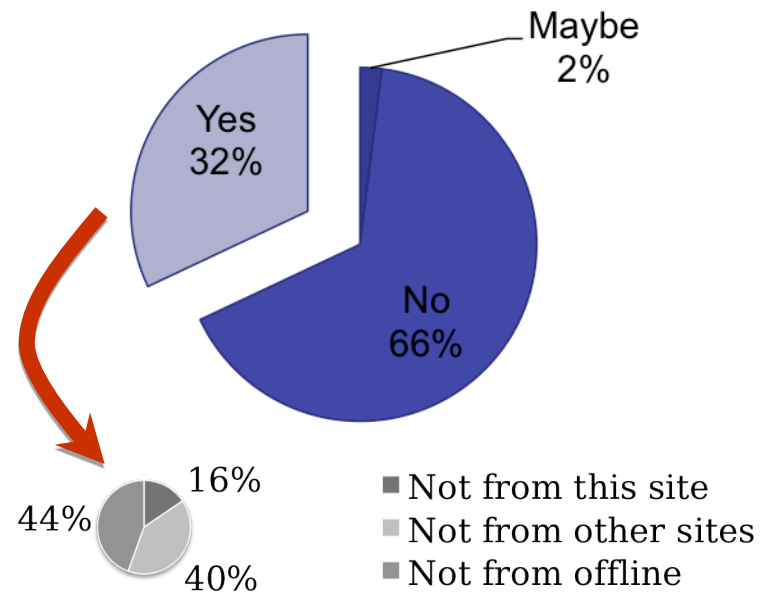
The accumulation and use of a profile by advertising networks through invisible or subtle noting of which sites an individual visits and the use of the profile data to customize advertisements displayed.

Public Opinion on DNT

Gallop Poll



Turow et al



Regulators Pushing DNT



FTC Chairman:

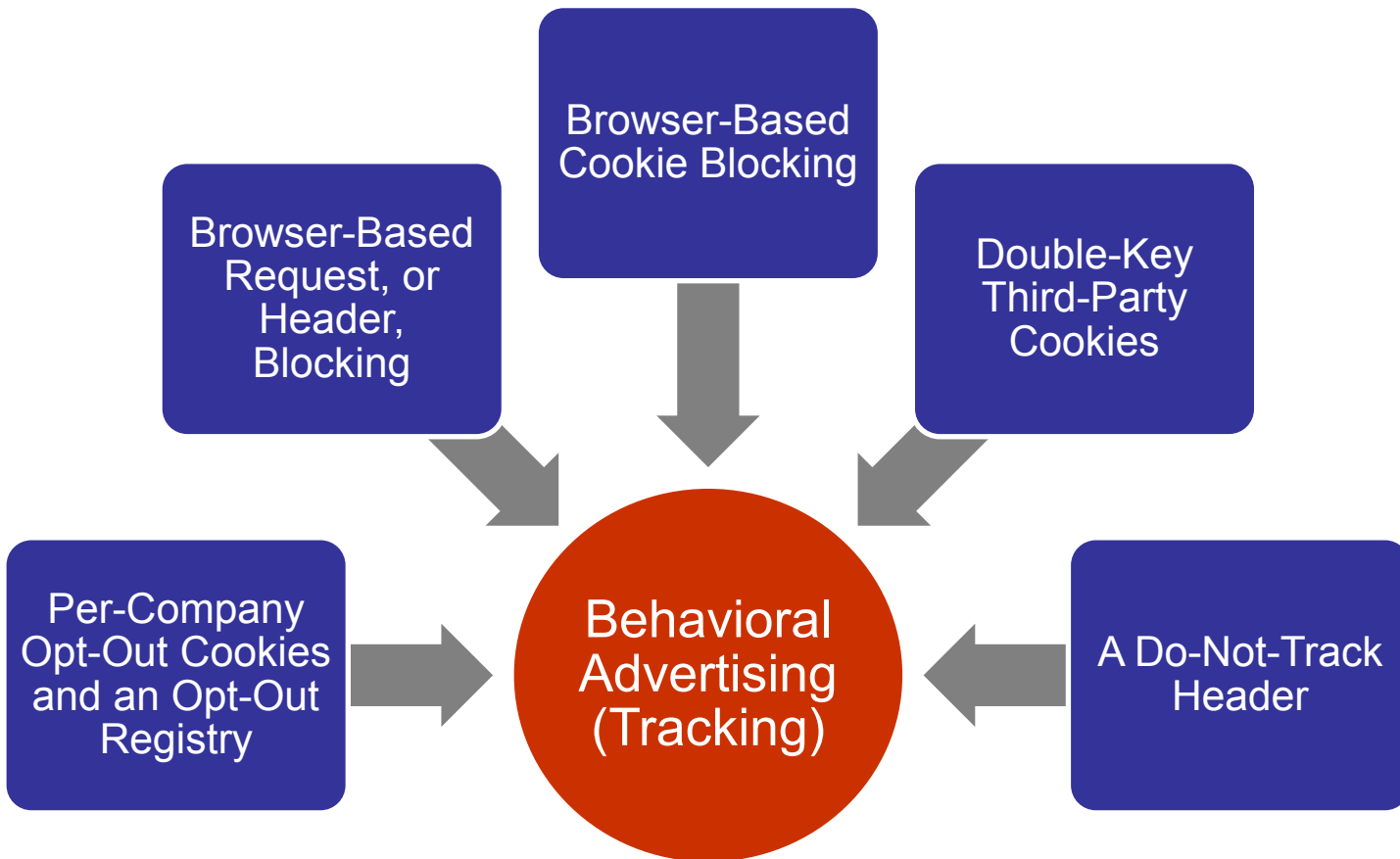
“[T]he Commission supports a more uniform and comprehensive consumer choice mechanism for online behavioral advertising.”



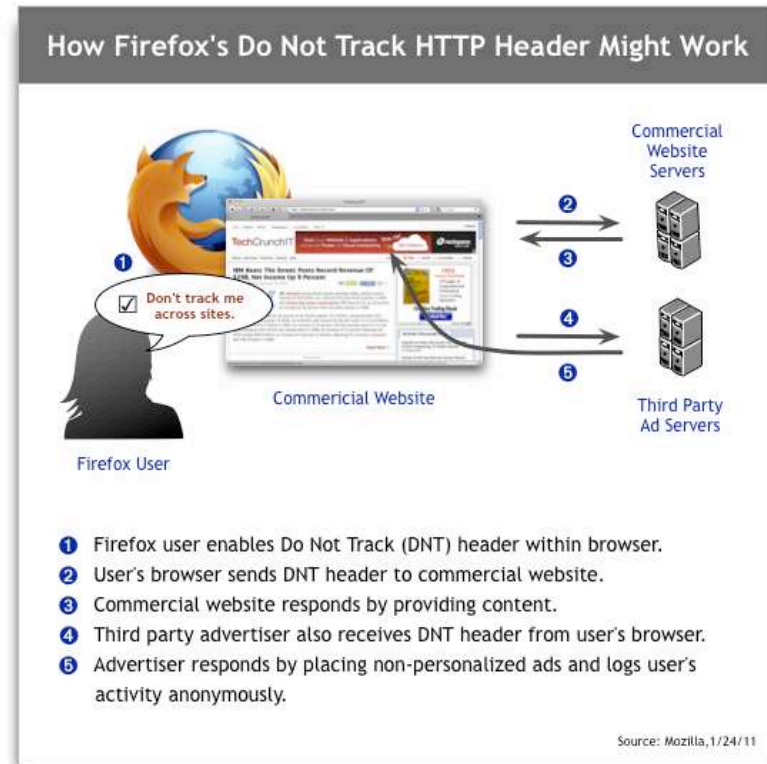
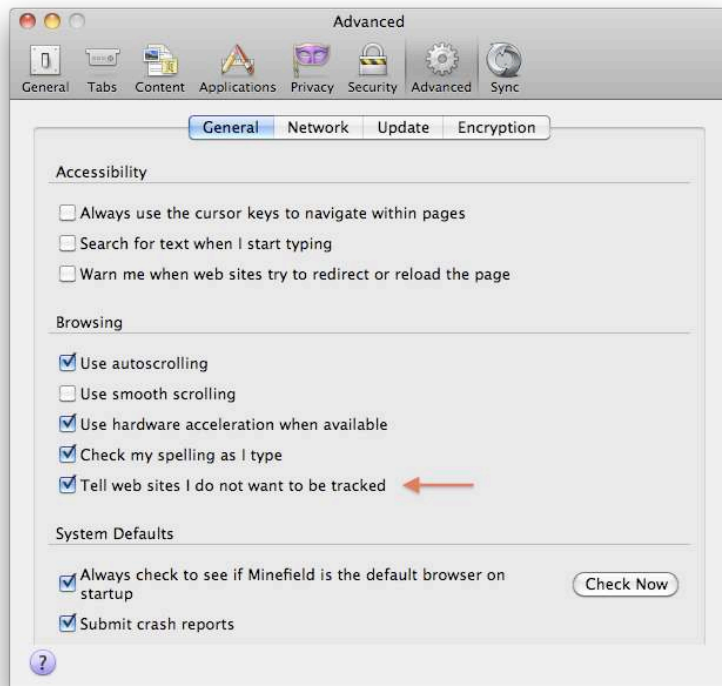
Congresswoman Speier (D-CA):

“The Do Not Track Me Online Act of 2011 would direct the [FTC] to develop standards for a ‘Do Not Track’ mechanism that would allow individuals to choose upfront to opt out of the collection, use or sale of their online activities, and require covered entities to respect the consumer’s choice. Failure to do so would be considered an unfair or deceptive act punishable by law.”

DNT Approaches Considered



Mozilla's DNT Mechanism in Firefox 4



Server Side Responses

Web Sites

- Prefer networks who honor header
- Optionally reduce on-site tracking with presence of header
- Update privacy messaging and privacy policies
- Consider other server-side innovations / responses

Ad Networks

- Treat presence of header like opt-out cookie
- Leverage respect for privacy as advantage to publishers
- Further demonstrate commitment to self-regulation and user choice and control by integrating with enhanced notification program

The Web Publisher and Marketing Perspective

Josh Jacobs

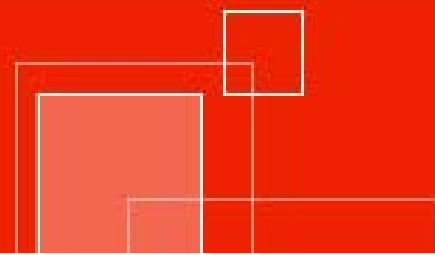
THE PIONEER OF
**VERTICAL
MEDIA**

GLAM.COM
#1 FOR WOMEN WORLDWIDE

BRASH.COM
#1 FOR MEN'S LIFESTYLE

TINKER.COM
#1 FOR BRAND-SAFE
REAL-TIME CONVERSATIONS

GLAMADAPT
THE INDUSTRY'S FIRST THIRD-GENERATION
AD SERVING PLATFORM BUILT FOR BRANDS



OPPORTUNITY:

The Power Of Women

American Women Drive Over Half the U.S. GDP: \$5 Trillion Annually

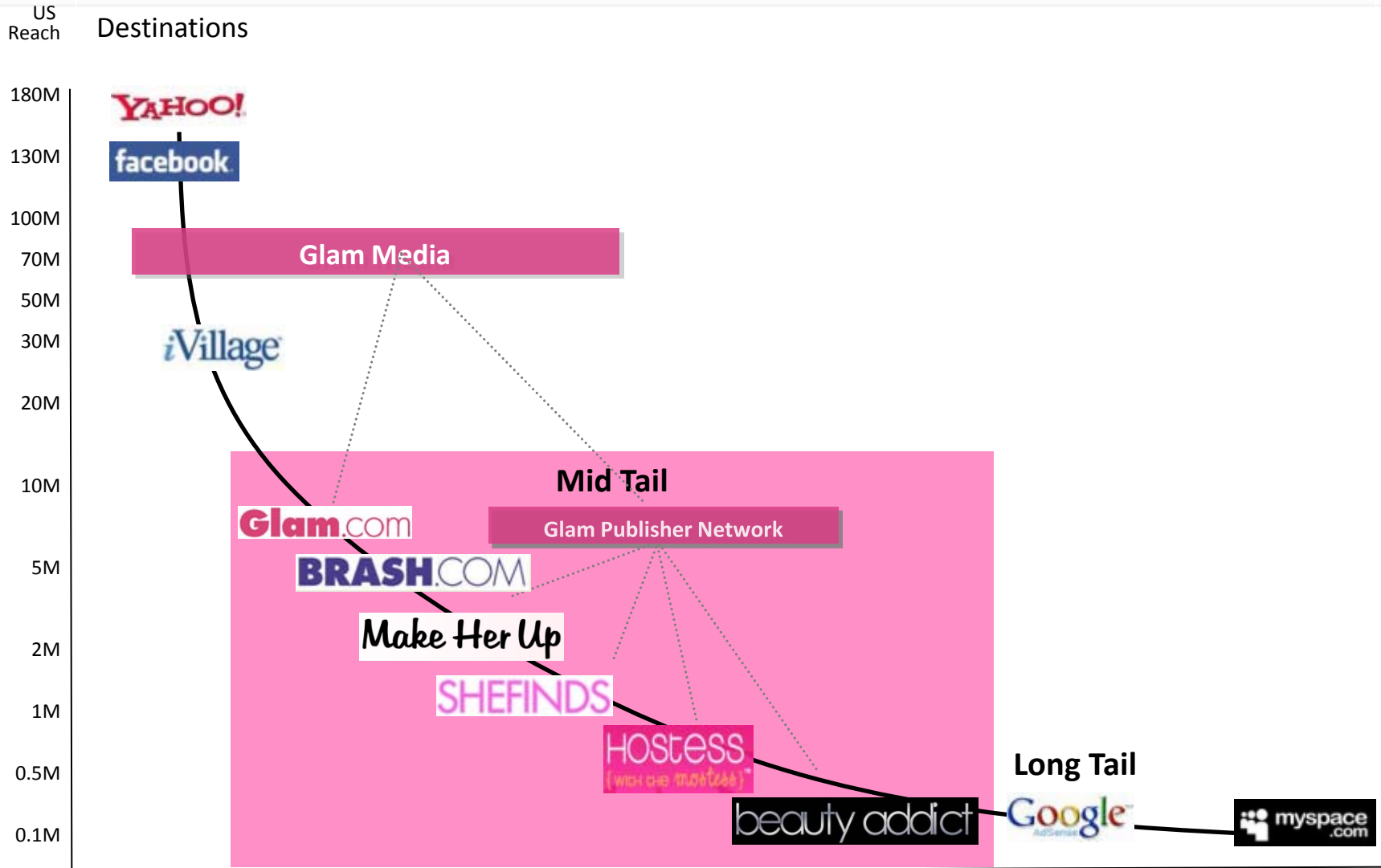
Women account for 85% of all consumer purchases including everything from autos to health care:

- **91% of New Homes**
- **66% PCs**
- **92% Vacations**
- **80% Healthcare**
- **65% New Cars**
- **89% Bank Accounts**
- **93% Food**
- **93 % OTC Pharmaceuticals**



CONTENT:

How Glam Builds Context



Glam's Audiences : We Know Women

Gamer



Fashionista



Totally Techie



Modern Mom



Shopaholic



Living Well



Travel Guru



Haute Hostess



Mommy & Me



Foodie



Luxe Life



Beauty Junkie



Health Conscious



Active & Fit



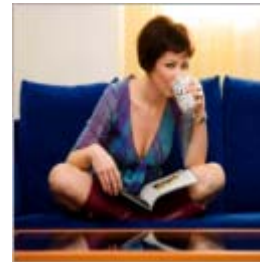
Décor Diva



Movie Addict



Paparazzi



Custom



Vertical Context Aggregates Vertical Audiences, at Scale

STYLE



**7 MM
UV
1**

ENT



**41 MM
UV**

LIVING



**8 MM
UV**

FAMILY



**18 MM
UV
2**

WELLNESS



**4 MM
UV**

BLACKLIFE



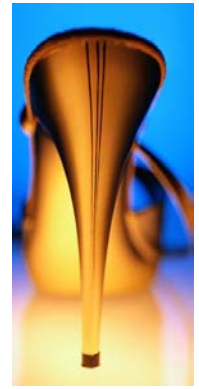
**3 MM
UV**

TEEN



**6.4MM
UV**

LUXURY



**2 MM
UV**

The Glam Story: Attracting Premium Brand Advertisers



Addressing Online Privacy Questions

Transparency

Relevance

Does it Matter?

Questions?

Biographies

Jim Anderson



Jim Anderson joined the Corporate Finance Division in February where he directs the relationship management teams. SVB's Corporate Finance Division supports more than 350 small and mid-cap technology and life science companies in the U.S., providing advice on strategic direction, arranging financings and managing cash investments.

In his most recent role Mr. Anderson was President of SVB Analytics, a wholly owned subsidiary of SVB Financial Group. SVB Analytics provides solutions to analytical problems that are specific to emerging growth technology, life science and venture capital companies. In that regard, SVB Analytics is the largest provider of valuation opinions for compliance with IRS Code Section 409A and FAS 123R. Mr. Anderson was also President of eProsper, a SaaS software company acquired by SVB Analytics in 2006.

Mr. Anderson joined Silicon Valley Bank in 1999 and has served as founder, President and Chief Investment Officer of SVB Asset Management. SVB Asset Management provides fixed income asset management and outsourced treasury services. He was also a founder and Managing Director of SVB Securities, Silicon Valley Bank's broker dealer subsidiary. These groups today hold total client assets in excess of \$16 billion. He is the editor of the weekly Investment Strategy Outlook. Mr. Anderson is a frequent public speaker on the economy and financial matters for emerging growth companies.

Mr. Anderson has more than 25 years experience in investment banking, asset management, and commercial banking assisting clients with corporate finance strategies, valuations, investments, and mergers and acquisitions including 20 years in the technology and life science sectors. Prior to joining Silicon Valley Bank in 1999, Mr. Anderson was Managing Director of Technology Investment Banking for CIBC Oppenheimer where he was responsible for initiating the firm's entry into the that sector in 1991. He has worked with a wide range of firms including small development stage companies and multi-billion dollar investment grade corporations. In his early banking career, Mr. Anderson held a variety of positions with Chase Manhattan Bank, including managing the West Africa Region based in Dakar, Senegal. He also worked as a software engineer at Electronic Data Systems and served as a math professor in the U.S. Peace Corps in Zaire.

Mr. Anderson earned an MBA from the American Graduate School of International Management and a bachelor's degree in mathematics from the State University of New York. He is a Chartered Financial Analyst. Mr. Anderson resides in San Francisco with two of his three children.

*Head of Corporate Finance Sales
(CFA)*

Silicon Valley Bank

Janderson@svb.com

408.654.7711



Lydia B. Parnes, Partner

1700 K Street, NW, Fifth Floor
Washington, DC 20006
Phone | 202-973-8801
Fax | 202-973-8899

www.wsgr.com/privacy

Lydia Parnes is a partner in the Washington, D.C., office of Wilson Sonsini Goodrich & Rosati, where her practice focuses on privacy, data security, Internet advertising, and general advertising and marketing practices.

The former director of the Bureau of Consumer Protection (BCP) at the Federal Trade Commission (FTC), Lydia is a highly regarded expert in the field of consumer protection. As director of the BCP, one of the FTC's two law-enforcement bureaus and the nation's only federal consumer-protection agency, Lydia oversaw the enforcement of a wide range of laws designed to prevent fraud and deception in the commercial marketplace, safeguard consumer privacy, and provide consumers with important information about the goods and services they purchase. She also represented the bureau in international settings and on Capitol Hill in connection with such high-profile issues as information security and privacy, Internet advertising, and identity theft. In addition, Lydia has extensive experience with the application of consumer-protection principles to the technology market. In 2006, she served as the deputy executive director of the President's Task Force on Identity Theft, coordinating the efforts of 17 federal agencies in developing a national strategic plan to combat identity theft in both the private and public sectors.

Lydia joined the FTC in 1981 as attorney advisor to the chairman. During her tenure at the FTC, she held a variety of management positions, including assistant director of the Division of Policy and Evaluation from 1985 to 1987 and associate director of the Division of Marketing Practices from 1987 to 1992. In 1992, Lydia was named deputy director of the Bureau of Consumer Protection, and was appointed director in 2004, the year in which the President conferred on her the rank of Meritorious Executive in the Senior Executive Service.

Alex Fowler



Global Privacy and Public Policy

Leader, Mozilla Corporation

415 309 3712

afowler@mozilla.com

Prior to joining Mozilla Alex Fowler was recognized as an authority on data privacy with PricewaterhouseCoopers (PwC) and lead the firm's privacy practice for the Western region. Prior to joining PwC, Alex was the Senior Director of Business Development and Information Policy for Zero-Knowledge Systems, a leading software company developing privacy-enabling technologies and services. He represented the company on policy matters in the US, served as a spokesperson, and directed its enterprise privacy services practice. Under his leadership, Zero-Knowledge provided strategic privacy services to high-tech companies including several Fortune 100 companies, and he played a pivotal role in the development of the company's flagship enterprise software application for managing privacy. Alex began his career with the American Association for the Advancement of Science where he managed projects on genetics and ethics funded by the Human Genome Project, as well as studies and activities on emerging policy issues associated with the Internet. Alex spent the next two years with the Electronic Frontier Foundation leading programmatic activities associated with online privacy, cryptography, and intellectual property. He is credited with founding the Kosovo Privacy Project and launching the Campaign for Audiovisual Free Expression both aimed at protecting important rights of citizens in the digital age. A frequent speaker and media commentator on social and policy issues associated with privacy, Alex has presented at such events as Fortune's Summit on E-Security, AAAS Annual Meeting, and CFP, appeared on shows on CNN, CNBC, and PBS, and his comments have appeared in stories published by USA Today, Washington Post, Wall Street Journal, New York Times, and The Red Herring. In addition to his work for PwC, Alex is the chairman of Geneforum, a nonprofit organization he co-founded to promote public dialogue and education about genetics. Alex received his graduate degree in science, technology and public policy at George Washington University, and his undergraduate degree in bioethics from Brown University.

Josh Jacobs

Senior Vice President of Brand
Advertising Products & Marketing

Prior to joining Glam Media, Jacobs was responsible for setting Yahoo!'s advertising technology strategy and for driving the marketplace operations supporting the company's advertising platform business. He is credited with helping advance the vision of the Right Media Exchange as a vibrant and open marketplace for digital advertising. Prior to this, Jacobs led strategy, operations and marketing for the Yahoo! Publisher Network, where he played a key role in establishing Yahoo! as the partner of choice for publishers by building a network of premium partners and comprehensive display, search and retargeting advertising solutions. At Yahoo!, he led the efforts to deliver the first publisher network solutions based on audience re-targeting. Prior to Yahoo!, Jacobs was president of privately held software company X1 and was in several early internet media startups.

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