

Before the  
FEDERAL TRADE COMMISSION  
Washington, D.C. 20580

In the Matter of )  
Newspaper Association of America ) No. \_\_\_\_\_  
Request for Investigation of )  
Deceptive Ad-Blocking Practices )

**COMPLAINT AND REQUEST FOR INVESTIGATION  
OF DECEPTIVE AD-BLOCKING PRACTICES**

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May 26, 2016

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The Newspaper Association of America<sup>1</sup> hereby calls upon the Federal Trade Commission to investigate certain ad blocking practices that violate Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits unfair and deceptive trade practices and unfair methods of competition.

“Ad blocking” technologies are browser plug-ins and mobile applications available on a variety of platforms that permit consumers to access full editorial content on publisher sites (sometimes even evading subscription systems) while blocking all advertising that publishers accept to fund the costs of producing that content. Ad-blockers undermine the ability of publishers to continue to provide free or reduced-price content on the Internet because they undercut publishers’ ability to finance enterprise journalism, and they threaten the livelihood of journalists and other content creators. These free-riding technologies are a clear and present danger to an ecosystem that has created a vibrant, content-filled Internet for the American public.

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<sup>1</sup> The Newspaper Association of America (the “NAA”) is a nonprofit organization representing the interests of nearly 2,000 news publishers in the United States and Canada. NAA members account for nearly 90% of the daily newspaper circulation in the United States and a wide range of non-daily newspapers, major online news sites and mobile and tablet applications. The Association focuses on the major issues that affect today’s news publishing industry, including the industry’s ability to continue providing essential news and information to the public as part of the digital ecosystem.

Certain ad-blockers deploy practices that are inherently deceptive to consumers. In particular, we ask the Commission to investigate the following deceptive trade practices:

- I. ***The use of “paid whitelisting” by Adblock Plus.*** “Paid whitelisting” is a practice under which large companies are required to make payments to ad-blockers to be placed on a “whitelist” that ensures that their advertising will reach consumers. Ad-blockers falsely represent to consumers that they will receive only ads that satisfy an objective “quality” standard (or no ads at all) when consumers download the app or service. But in fact, consumers receive ads because the owner of Adblock Plus requires payment from advertisers or advertising platforms to pass their advertising to consumers.
  
- II. ***Substitution of ad-blockers’ own advertising for blocked ads, false claims that subscription services prevent publisher harm, and the evasion of metered subscription systems.*** These three areas either deceive consumers or constitute unfair competition. *First*, ad substitution constitutes a deceptive trade practice by misleading consumers into believing that publishers have consented to the substitution of their own advertising for new ads sold by ad-blocking companies. *Second*, subscription services that claim to offset publisher harm are false and deceptive given the complete lack of evidence to support that claim. *Third*, ad-blockers that permit users to evade metered subscription services and paywalls are engaging in an unfair method of competition.

Ad-blocking companies argue that consumers should use their software to “opt out” of the online advertising ecosystem, either because of concerns with privacy or the data use represented by digital advertising. But as a review of the practices of ad-blocking companies discloses, consumers do not “opt out” of an ecosystem by using ad-

blockers. Instead, they “opt in” to a deceptive new environment that does not adequately disclose its practices to consumers.<sup>2</sup> The NAA urges the Commission to undertake an investigation of these practices to determine whether they constitute deceptive trade practices or unfair methods of competition in violation of Section 5 of the FTC Act, and to impose appropriate remedies.

**I. The Use of “Paid Whitelisting” in Adblock Plus and Other Blockers is a Deceptive Trade Practice.**

**A. Background**

Adblock Plus is an ad blocking platform operated by Eyeo GmbH (“Eyeo”) that can be installed on Android, Chrome, Firefox, iOS, Internet Explorer, Maxthon, Opera, Safari, and Yandex. According to its website, Adblock Plus allows consumers to “block annoying ads, disable tracking and block domains known to spread malware.”<sup>3</sup>

Adblock Plus does not detect and automatically block advertising. Instead, it is dependent on instructions given to it via a “blacklist” of advertising domains. Eyeo makes its own lists available, and there are also a number of free blacklists on the market; users can elect which list to use and can also modify the lists (*i.e.*, by adding or deleting the websites on it). Users can also create their own blacklists.

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<sup>2</sup> See Julia Greenberg, *Ad Blockers Are Making Money Off Ads (And Tracking, Too)*, WIRED (Mar. 2, 2016), <http://www.wired.com/2016/03/heres-how-that-adblocker-youre-using-makes-money/> (“But ad blockers are running businesses too. And *their* business models aren’t too far off from the very ones that publishers and advertisers use to make money on the web.”) (emphasis in original).

<sup>3</sup> About Adblock Plus, <https://adblockplus.org/about> (last visited May 24, 2016).

Although the blacklist approach is not uncommon, Adblock Plus was the first ad-blocker to create its own “whitelist” of ads considered “acceptable” to Eyeo.<sup>4</sup> Beginning in 2011, Eyeo solicited “whitelist” agreements with website operators and advertisers whose ads supposedly qualify as “acceptable,” and which undertake contractually to provide only such acceptable advertising. Advertising by website operators and advertisers that have not entered into a contractual “whitelisting” arrangement with Eyeo are automatically blocked, irrespective of whether they would be deemed acceptable. When a user downloads Adblock Plus, the “whitelist” is enabled by default.

Eyeo has sole discretion to determine which ads are “acceptable.”<sup>5</sup> As initially enacted, there was little in the Acceptable Ads guidelines about what made an ad “acceptable.”<sup>6</sup> According to Eyeo, ads are “acceptable” if they are not “annoying,” do not disrupt or distort content on Web pages, are transparent about being a paid placement, do not “shout” at consumers, and are “appropriate” to the sites on which they appear.<sup>7</sup>

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<sup>4</sup> Since Eyeo’s initial development of paid whitelisting, other ad blocking companies also have developed alternative “pay to play” approaches. See Lucia Moses, *Everything has a price: Publishers weigh options for buying their way out of blocked ads*, DIGIDAY (Sept. 28, 2015), <http://digiday.com/publishers/ad-blocker-price-publishers/>.

<sup>5</sup> Although Eyeo states that it is in the process of commissioning an “independent committee” to review ads and determine what qualifies as “acceptable,” they have not done so yet. At present, Eyeo retains sole discretion to determine which ads it deems “acceptable.” See Ben Williams, *From the Manifesto to the Acceptable Ads Board*, ADBLOCK PLUS AND (A LITTLE) MORE (Oct. 1, 2015), <https://adblockplus.org/blog/from-the-manifesto-to-the-acceptable-ads-board>.

<sup>6</sup> Robert Mitchell, *The business of ad blocking: A Q&A with Adblock Plus lead investor Tim Schumacher*, COMPUTER WORLD (Jan. 15, 2015), <http://www.computerworld.com/article/2475721/desktop-apps/the-business-of-ad-blocking--a-q-a-with-adblock-plus-lead-investor-tim-schumacher.html> (“Q. There’s little in the Acceptable Ads guidelines in the way of specifics, such as what size ad is too big. So there’s no well-defined standard for compliance. Publishers must submit their ads and Adblock Plus makes the judgments. The community then votes it up or down. Is that right? A. That is correct.”).

<sup>7</sup> See Acceptable Ads Manifesto, <https://acceptableads.org/> (last visited May 24, 2016).

Eyeo describes “whitelisting” as a “give-and-take” process between the advertiser and Eyeo.<sup>8</sup>

Eyeo’s business model operates around its paid “whitelist” service. Although smaller website operators and advertisers can join the “whitelist” free of charge, Eyeo requires payment from “large” operators and advertisers. Eyeo considers “large” operators and advertisers to be “advertisers that stand to gain more than 10 million incremental ad impressions per month because of whitelisting.”<sup>9</sup> The fee generally is 30% of advertising revenue resulting from the whitelisting, but may in some cases be a lump sum amount.<sup>10</sup> The amount that advertisers pay for the privilege is set by Eyeo and not disclosed to the public. Eyeo acknowledges that its main source of revenue is derived from the paid whitelisting program.<sup>11</sup> Some companies apply to be whitelisted, but Eyeo also reaches out to solicit the business of other companies.<sup>12</sup> Companies paying a fee to be “whitelisted” include some of the largest advertisers on the Internet.<sup>13</sup>

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<sup>8</sup> See Ben Williams, *Acceptable Advertising – before and after*, ADBLOCK PLUS AND (A LITTLE) MORE (Nov. 4, 2014), <https://adblockplus.org/blog/acceptable-advertising-before-and-after>.

<sup>9</sup> Ben Williams, *Acceptable Ads explained: monetization*, ADBLOCK PLUS AND (A LITTLE) MORE (Feb. 25, 2016), <https://adblockplus.org/blog/acceptable-ads-explained-monetization>.

<sup>10</sup> About Adblock Plus, *supra* note 3; Mitchell, *supra* note 6 (“Adblock Plus has been experimenting with different [fee] models.”).

<sup>11</sup> About Adblock Plus, *supra* note 3; Mitchell, *supra* note 6 (When asked about Eyeo’s business model and whether investors can expect to see a return on their investment, Tim Schumacher, co-founder and Chairman of Eyeo, said: “The way we currently have the business set up it’s hard to say. But we are fixing something users think doesn’t work, and it’s a multibillion dollar advertising industry. No matter what the final model we feel that there’s an opportunity here.”).

<sup>12</sup> Greenberg, *supra* note 2.

<sup>13</sup> Laura O’Reilly, *Google, Microsoft, and Amazon are paying Adblock Plus huge fees to get their ads unblocked*, BUSINESS INSIDER (Feb. 3, 2015), <http://www.businessinsider.com/google-microsoft-amazon-taboola-pay-adblock-plus-to-stop-blocking-their-ads-2015-2>; Laura O’Reilly, *We now know another of the big companies that pays Adblock Plus to unblock its ads*, (continued...)

## **B. Eyeo's Deceptive Trade Practices**

Section 5 of the FTC Act prohibits, and “direct[s]” the FTC “to prevent,” “[u]nfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce.”<sup>14</sup> For an act to be deceptive, there must be a representation, omission, or practice that is likely to mislead a consumer.<sup>15</sup> The FTC assesses the practice from the perspective of a reasonable consumer.<sup>16</sup> In order to be deceptive under Section 5, the representation, omission, or practice must be a “material” one that is likely to affect the consumer’s conduct or decision with regard to a product or service.<sup>17</sup>

Eyeo’s marketing claims are deceptive under Section 5 of the FTC Act for at least two reasons. First, consumers have a reasonable understanding, based on Eyeo’s prominent pronouncements, that they are receiving ads that satisfy an objective “quality” standard.<sup>18</sup> Based on that representation, a consumer would expect that any advertiser satisfying that standard would reach him or her with acceptable ads. A consumer would not expect that Eyeo is actually charging publishers for the right to serve such ads across its installed base of users and blocking ads that actually satisfy its standards for “quality.” But that is, in fact, the case. Even if larger companies apply for

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BUSINESS INSIDER (Dec. 1, 2015), <http://www.businessinsider.com/criteo-pays-adblock-plus-to-appear-on-its-acceptable-ads-whitelist-2015-12>.

<sup>14</sup> 15 U.S.C. § 45(a)(1).

<sup>15</sup> FTC, Policy Statement on Deception, 103 F.T.C. 174, 178 (1984).

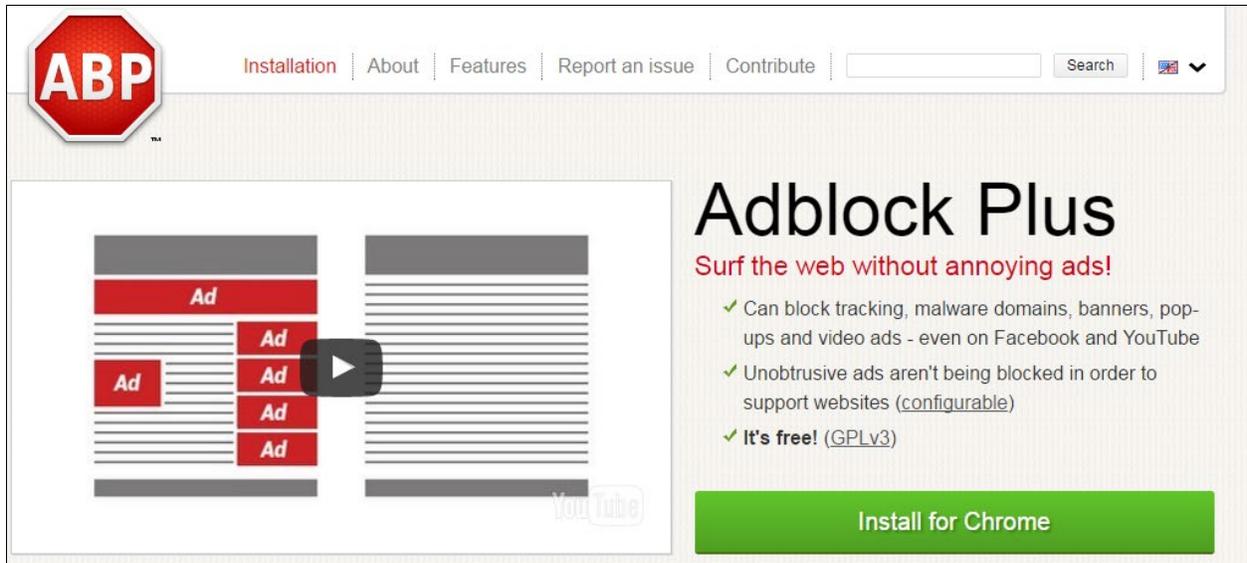
<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> About Adblock Plus, *supra* note 3 (referencing the “strict criteria” used to assess whether an ad is “acceptable”).

and would otherwise meet the “acceptable ads” criteria, their ads will not be displayed to consumers in Eyeo’s network unless they also pay Eyeo for the privilege.

Indeed when consumers click to download Adblock Plus, the only relevant information provided is that “[u]nobtrusive ads aren’t being blocked in order to support websites.”<sup>19</sup>



Eyeo does not clearly and conspicuously disclose that larger companies pay to have their ads whitelisted. To find the disclaimer, a consumer would have to make several clicks through the website to locate the FAQ about how Adblock Plus is financed.<sup>20</sup> See, e.g., *In the Matter of Sears Holdings Mgmt. Corp.*, 2009 WL 2979770, at \*4-5 Case No. C-4264 (FTC Aug. 31, 2009) (holding that it is deceptive to only disclose the full extent of information software collected in a lengthy user license agreement, available to consumers at the end of a multi-step registration process).

<sup>19</sup> Installation, <https://adblockplus.org/en/> (last visited May 24, 2016)

<sup>20</sup> About Adblock Plus, *supra* note 3.

Second, Eyeo has stated publicly that the “acceptable ads” standard applies to both smaller website operators and advertisers that join the “whitelist” free of charge and to “large” operators who are required to pay to join the “whitelist.”<sup>21</sup> Nonetheless, consumers and others in the industry have questioned whether Eyeo is applying the same standard to small website operators and advertisers that it does to large paying advertisers.<sup>22</sup> To the extent that Eyeo has applied different standards to the large website operators and advertisers than it has the smaller website operators and advertisers that join the “whitelist” free of charge, consumers have been misled as to the types of ads that they are seeing. This practice, if true, constitutes an unfair and deceptive trade practice in violation of Section 5 of the FTC Act.

## **II. Deceptive Ad-Blocker Practices in Substituting Ads, Claiming that Subscription Services Prevent Publisher Harm, and Evading Metered Pay Walls Should Be Investigated.**

Certain other ad-blocking technologies deploy practices that are inherently deceptive to consumers or constitute unfair competition and should be investigated by the Commission. *First*, advertising substitution -- a practice in which an ad-blocker blocks a publisher’s ads, but then seamlessly introduces advertising that the ad-blocker itself sells -- constitutes a deceptive trade practice because it misleads consumers into believing that publishers have consented to the substitution of their placed advertising for new ads sold by ad-blocking companies. *Second*, subscription services that claim to

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<sup>21</sup> *Id.* (“It should be noted that the Acceptable Ads criteria must be met independent of the consideration for payments.”).

<sup>22</sup> Robert Cookson, *Tech groups pay to stop ad blocking*, FINANCIAL TIMES (Feb. 2, 2015), <http://www.ft.com/intl/cms/s/0/80a8ce54-a61d-11e4-9bd3-00144feab7de.html#axzz46DAIZ1BH> (discussing consumer reaction to the “whitelisting” of Taboola).

offset publisher harm are false and deceptive given the complete lack of evidence supporting that claim. *Third*, ad-blockers that permit users to evade metered subscription services and paywalls are engaging in an unfair method of competition.

**A. Ad Substitution Constitutes a Deceptive Trade Practice.**

Certain ad-blockers, such as Brave Software, Inc. (“Brave”), promise to display publishers’ content but replace publishers’ advertising with advertising that the ad-blockers sell for their own profit. Brave intends to block and replace most standard ad sizes on publisher websites and “aim[s]” to substitute “higher quality” advertisements.<sup>23</sup> The replacement ads would come from Brave’s direct partners and ad agencies, and Brave would take a 15 percent cut of the ad revenue generated.<sup>24</sup> Brave does not explain how it ensures that the substituted ads are “higher quality” or the standards that it applies to make this determination. Other ad-blockers, such as Adblock, have substituted advertising to spread their own points of view in a manner that consumers will reasonably misinterpret as being the editorial voice of publishers whose ads have been blocked and replaced.<sup>25</sup>

Ad substitution is a false and deceptive trade practice under Section 5 of the FTC Act. Ad substitution by ad-blockers implies one of two things to consumers: either (1) the advertisement originated on the publisher’s website by the publisher’s own choosing, or (2) the publishers have consented to the substitution of their placed

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<sup>23</sup> FAQ, <https://brave.com/FAQ.html> (last visited May 24, 2016).

<sup>24</sup> *Id.*; *Better Deal for Publishers*, BRAVE (Apr. 7, 2016), <https://blog.brave.com/braves-response-to-the-naa-a-better-deal-for-publishers/>.

<sup>25</sup> See J. Mullin, *In the Name of Free Speech, Adblock Serves Up Ads, Just For a Day*, ARS TECHNICA (March 12, 2016), <http://arstechnica.com/tech-policy/2016/03/in-the-name-of-free-speech-adblock-serves-up-ads-just-for-a-day/>.

advertising for new ads sold by Brave. Both representations are false and deceptive to consumers because publishers have not consented to the advertisements that are being used alongside their content.

**B. Subscription and “Micropayment” Services Claiming to Offset Publisher Harm Constitute Deceptive Trade Practices.**

A number of ad-blocking companies have begun to offer “micropayment,” subscription or other similar services to consumers, claiming to be the “ethical” way to block undesirable advertising. These services claim that publishers are not harmed by the blocking of their advertising because of these supposed payment systems. But these claims are, in fact, entirely unsubstantiated, given that these ad-blockers destroy millions of dollars in advertising value (and support for free content) and that their owners have made no showing that any payments they may offer to publishers could offset the funds lost to blocked advertising.

For example, Optimal, an ad blocking startup still in beta, is launching a subscription service for users. Users will pay a flat monthly fee of approximately \$5.99 to see content without ads.<sup>26</sup> After taking a cut of the revenues, Optimal has stated that it will pay publishers according to the percentage of overall web traffic they generate, but users will ultimately have input into how much of their monthly fee each publisher receives.<sup>27</sup> According to Optimal’s founder, Rob Leathern, the revenue passed on to

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<sup>26</sup> Brendan James, *Ethical Ad Blocking? Meet the Startup That Wants to Pay Publishers for Blocking Their Ads*, INT’L BUS. TIMES (Mar. 18, 2016), <http://www.ibtimes.com/ethical-ad-blocking-meet-startup-wants-pay-publishers-blocking-their-ads-2339359>

<sup>27</sup> Robert Hof, *Optimal Pitches Subscription Alternative to Ad Blocking*, FORBES (Dec. 17, 2015), <http://www.forbes.com/sites/roberthof/2015/12/17/optimal-pitches-smart-subscription-alternative-to-ad-blocking/#4b6055824d77>.

publishers will “offset some, if not most, of the losses in ad revenue caused by ad blockers.”<sup>28</sup>

In addition, Eyeo and Flattr recently announced Flattr Plus, a program in beta that will allow users to make micro-donations of their choosing to publishers. Flattr Plus keeps 10 percent of the total donation.<sup>29</sup> Flattr Plus plans to exclude certain platforms like Google and Facebook from its payment system entirely.<sup>30</sup> As seen below, Flattr Plus’s website claims that its “smart algorithm automatically distributes the right amounts to the right sites” and that “[t]he journalists, artists, blogger and other creators get your money and continue to create great things.”<sup>31</sup> Brave, too, plans to offer “micropayments” to publishers to compensate them for blocked ads.<sup>32</sup>

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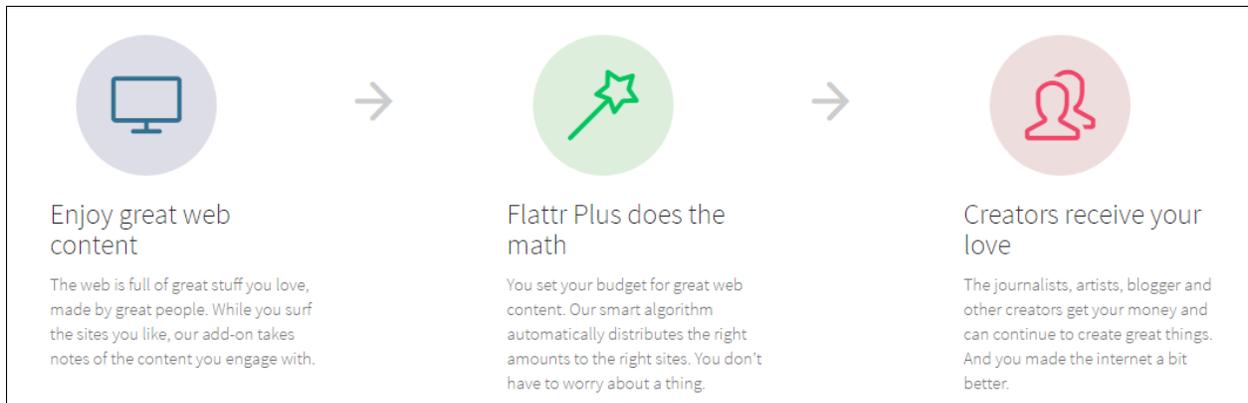
<sup>28</sup> Mitchell, *supra* note 6.

<sup>29</sup> See Julia Greenberg, *Adblock Plus Now Wants You to Pay to Browse the Internet*, WIRED (May 3, 2016), <http://www.wired.com/2016/05/adblock-plus-now-wants-pay-browse-internet/>.

<sup>30</sup> Re: Publica 2016 – I’m better than ads – helping journalists make money online, <https://www.youtube.com/watch?v=5KMd8lkvx0&feature=youtu.be> (last visited May 11, 2016) (statement by Laura Sophie Dornheim of Adblock Plus at 19:15).

<sup>31</sup> Flattr Plus, <https://flattrplus.com/> (last visited May 24, 2016).

<sup>32</sup> Brave plans to adopt a system of optional user micro-donations. Brave states that its plan to pay publishers through optional user micropayments will “pay the publishers more of the revenue shared through our system than most websites are getting now from third-party ads.” See *Better Deal for Publishers*, BRAVE (Apr. 7, 2016), <https://blog.brave.com/braves-response-to-the-naa-a-better-deal-for-publishers/>.



These practices are deceptive under Section 5 of the FTC Act because they falsely imply that payments made by consumers will make publishers whole. Consumers have a reasonable understanding that their payment will compensate for any harm caused to publishers based on claims that the revenue passed on to publishers will “offset some, if not most, of the losses in ad revenue caused by ad blockers.”<sup>33</sup> Indeed, Optimal’s advertising encourages users to sign up for the subscription service because of the “moral incentive” that users have to support publishers, and advertises itself as a company that is “[d]oing the right thing.”<sup>34</sup> Till Faida, CEO of Eyeo, promoted Flattr Plus by stating: “If you look at monetization, it’s really shocking how little value ads create. So by paying as little as what you spend on a cup of coffee, by spending that much per month, you can already create the same value for publishers. . . .”<sup>35</sup>

In reality, there is no support for the claims that some unspecified portion of a \$5.99/user subscription fee for Optimal or user-determined micro-donation to Flattr

<sup>33</sup> Mitchell, *supra* note 6.

<sup>34</sup> James, *supra* note 25.

<sup>35</sup> Sarah Perez, *Adblock Plus closes in on a billion downloads*, TECHCRUNCH (May 9, 2016), <http://techcrunch.com/2016/05/09/adblock-plus-closes-in-on-a-billion-downloads/> (Till Faida interview at 10:25).

Plus will offset the value of millions of dollars' worth of lost advertising revenues.

Moreover, neither Optimal nor Flattr Plus plans to release the user's fee to publishers unless the publishers take affirmative actions by proving they own their domains.<sup>36</sup> This practice constitutes an unfair and deceptive trade practice in violation of Section 5 of the FTC Act.

**C. Ad-Blockers That Evade Metered Subscription Systems and Paywalls Engage in Unfair Methods of Competition.**

Publishers increasingly are adopting metered payment systems or other subscription models in order to fund the high-quality journalism on which their communities rely. Consumers have embraced these subscription models and the value proposition they represent. But when these subscription systems are evaded, or publishers are prevented from even communicating with their own readers and viewers, this system of funding content is threatened.

Many publishers allow readers to sample high-quality content on a limited basis (e.g., 10 articles per month) and then present the reader with a subscription offer (either for digital-only or print-bundled plans). Some ad-blockers evade metered subscription services and paywalls by preventing publishers from identifying repeat visitors and making offers to consumers about their subscription services. Publishers are sometimes able to preserve the meter by reconfiguring and rebuilding their website, but ad-blockers can adapt and defeat the meter again.

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<sup>36</sup> Mitchell, *supra* note 5; Anthony Ha, *AdBlock Plus teams up with Flattr to help readers pay publishers*, TECHCRUNCH (May 3, 2016), <http://techcrunch.com/2016/05/03/adblock-plus-teams-up-with-flattr-to-help-readers-pay-publishers/>. The method for proving domain ownership is not explained on Optimal's website or Flattr Plus's website.

The FTC's authority to prevent unfair methods of competition "encompasses not only those acts and practices that violate the Sherman or Clayton Act but also those that contravene the spirit of the antitrust laws."<sup>37</sup> Section 5 does not enumerate acts that constitute unfair competition, instead "recognizing that application of the statute would need to *evolve with changing markets and business practices*."<sup>38</sup> The FTC is guided in its analysis by (1) the public policy underlying the antitrust laws, including the promotion of consumer welfare; (2) the harm to competition weighed against any efficiencies or business justifications; and (3) whether the Sherman or Clayton Act can sufficiently address the harm.<sup>39</sup>

By permitting users to evade metered subscription services and paywalls, ad-blockers are engaging in an unfair method of competition under Section 5 of the FTC Act that directly harms consumers and publishers. First, the practice goes against the public policy underlying antitrust laws, including the promotion of consumer welfare. By preventing publishers from identifying repeat visitors and making these offers to them, content blockers harm consumers. Given that subscription efforts are a significant way that publishers support high-quality, professionally edited journalistic content, the offering of technologies that evade these subscription programs undercuts the industry's ability to continue to innovate and meet consumers' demands.

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<sup>37</sup> See FTC, Statement of Enforcement Principles Regarding "Unfair Methods of Competition" Under Section 5 of the FTC Act, *available at* [https://www.ftc.gov/system/files/documents/public\\_statements/735201/150813section5enforcement.pdf](https://www.ftc.gov/system/files/documents/public_statements/735201/150813section5enforcement.pdf).

<sup>38</sup> *Id.* (emphasis added).

<sup>39</sup> *Id.*

Consumers are also harmed because they are deprived of receiving offers and other communications from publishers about alternatives to ad-blockers, which are pro-competitive and often popular with consumers when they can be offered. A study by the Interactive Advertising Bureau found that at least 54% of readers using ad-blockers would consider turning ad-blockers off to access content.<sup>40</sup> These ad-blockers do not disclose to consumers that their operation will prevent publishers from being able to reach out to them as customers.

Second, publishers are harmed, as they are unable to capture revenue through their subscription services. Ad-blockers instead capture the revenue by employing business models that are similar to those used by the publishers in the first place.<sup>41</sup> There is no efficiency or business justification for this practice.

Third, enforcement under the Sherman or Clayton Act is not sufficient to address the competitive harm arising from this conduct because the practice does not fall squarely under either statute. The FTC's Section 5 authority is intended to address precisely this type of anticompetitive harm that does not fall within the scope of the Sherman or Clayton Act.<sup>42</sup>

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<sup>40</sup> Lucinda Southern, *Study: More than half of all ad blocker users would disable them to read content*, DIGIDAY (Mar. 1, 2016), <http://digiday.com/publishers/latest-ad-blocking-report-finds-half-disable-blockers-read-content/>.

<sup>41</sup> Greenberg, *supra* note 2.

<sup>42</sup> Statement of Enforcement Principles Regarding "Unfair Methods of Competition" Under Section 5 of the FTC Act, *supra* note 37.

### **III. Request for Relief**

If the Commission determines that the practices described in this complaint constitute deceptive trade practices and unfair competition, it should:

1. Require ad-blockers engaged in “paid whitelisting” programs to end such programs or to cease misrepresenting the nature of their services to consumers;
2. Require ad-blockers to discontinue ad substitution practices;
3. Require ad-blockers claiming that they make publishers whole to cease making deceptive statements that mislead consumers;
4. Prevent ad-blockers from evading metered subscription services and paywalls; and
5. Provide such other relief as the Commission may determine is appropriate and necessary.

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We urge the Commission to promptly initiate an investigation and take appropriate action to stop practices that deceive consumers.

Respectfully submitted,

NEWSPAPER ASSOCIATION OF AMERICA



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