



MILLOVE

Response to Request for Public Comments – FTC Matter No. P114506

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MLOVE respectfully submits these Comments in response to the request by the Federal Trade Commission ("FTC" or "Commission") for proposed revisions to its Guidance to Businesses About Online Advertising ("Dot Com Disclosures"). FTC guides, generally, are useful because they provide consumers with increased certainty in a sometimes turbulent marketplace. They are also helpful to businesses to provide clarity on how the Commission interprets its authority in a certain area.

The Dot Com Disclosures were published in 2000 and the landscape of advertising and sales on the Internet has changed dramatically since then. This dated guidance did not contemplate the existing mobile market nor the developing point-of-sale and location-based markets that have grown concurrently with developments in mobile technology.

Although we understand and welcome the request for Comments, we believe that past revisions have only resulted in market confusion, and in this case we purport that trend would be repeated. From our research, in the past, the Commission has favored and encouraged self-regulation in emerging markets such as the Internet; showing preference to maintain the standard principles that have guided commerce effectively for almost three decades. The stated purpose of the proposed revision is to give the Dot Com Disclosures more relevance reflecting the changes to the industry since they were published, but as this area is still developing new regulations at this time may have a chilling effect on United States commerce especially with nations that have advanced further in mobile technology.

So who (or what) is MLOVE??

MLOVE is a community of CEOs, innovators and entrepreneurs from across multiple disciplines who come together to share, learn and cross-pollinate ideas with an array of scientists, artists and other thought leaders. MLOVE events expose the mobile industry to the best minds outside of mobile to maximize the opportunity of creating life-changing services and applications that can impact us all for the better.



We will be looking at the impact of mobile technology on:

JAPAN

SUSTAINABILITY

MOBILE

EDUCATION

COMMUNICATION

HEALTH

MUSIC

TEENCAMP

SINGULARITY

Context will be provided by talks on operator innovation, augmented reality and innovative service design.



Copy + paste link to view video - <http://vimeo.com/26342471>

About MLOVE ConFestival

The MLOVE ConFestival has been named a "TED for Mobile" and a meetup of the "IT avantgarde" with an engaging and inspiring format in the setting of a 19th century castle in the former Eastern Germany. The MLOVE ConFestival, hosted south of Berlin from June 29 to July 2, 2011 focused on innovative mobile opportunities for brands, entertainment and advertising and the impact of mobile as a social catalyst for positive change.

The MLOVE tribe started grass roots by an international group of "mobile passionistas" in 2008. Through MLOVE "camps" in Andorra, Barcelona, San Francisco, Munich, London, New York and Singapore the agenda for MLOVE evolved into more than mobile.

MLOVE FUTURE CUBES

The ConFestival will finish with a workshop where speakers and fellow MLOVE participants will manifest new ideas for the future of mobile in a very hands-on fashion. We will work together with Ideation experts to create an intense exchange about what you learned during the conference and create a future cube as the group. Themes include: Music, media, communication, automotive, sustainability and emerging markets.



You will craft, paint or create ideas to design your future cube and, after the session, compare your creations with the other groups during a vernissage. Finally, we'll light up a big bonfire, partially fuelled by most of the created materials in the future cubes (but not before we have documented everything with photos for the MLOVE archive and for your later access).

MLOVE provides a plethora of opportunities for event participants to collaborate, create and plan for our collective mobile future.

One such opportunity for intense exchange and thought is targeted examination in an MLOVE Future Cube. It was there that we brainstormed the implications of revisions to the FTC's Dot Com Disclosures. Soon our blank slate was colored with theory and questions -- the result is synopsized and reproduced here, with just a few less post-its!

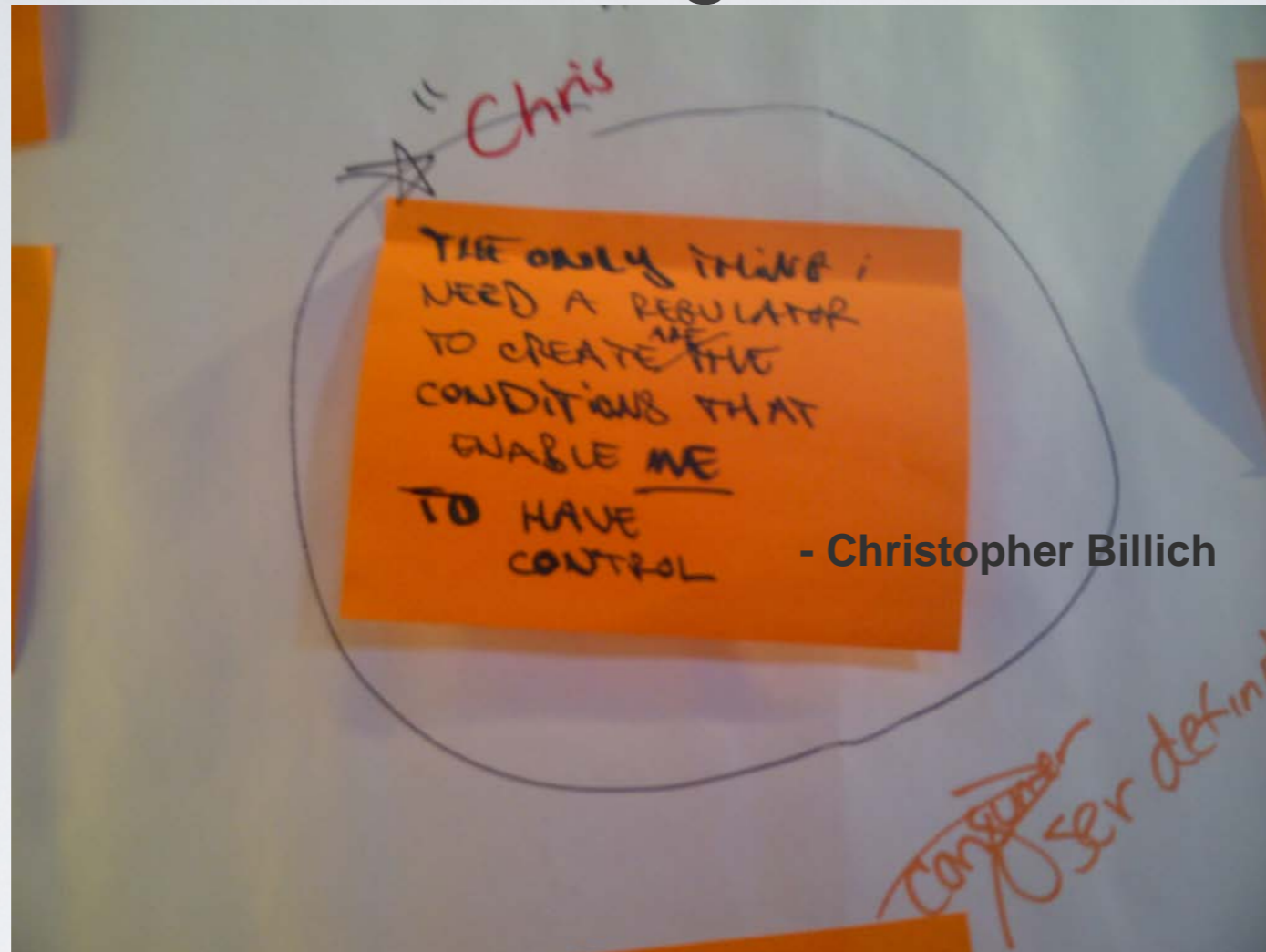


FTC comment Future Cube



The MLOVE “FTC Comment” Future Cube produced a cross-section of opinions of the mobile community from varied national, cultural and technical backgrounds. From Japan to Germany and back to the United States, a common thread that everyone working in the mobile space appears to know is that there is much more to come than has currently been created, launched or monetized. This common belief, not surprisingly, also ties together the MLOVE segment of the mobile community relative to how they believe the growing, global mobile marketplace should be regulated.

No Regulation is Good Regulation



As a general rule, the sentiment in the MLOVE Future Cube reflects the majority of the online and mobile tech community -- there should be no new regulation. Specifically, in regards to mobile, the belief is that the FTC cannot and should not begin to create additional regulations specifically for mobile because the start of regulation will only lead to further regulation. Mobile advertisers already face challenges in introducing new products and services to potential customers -- as technology moves quicker, broader regulations can begin to hinder commerce and advancement. Advertisers understand the current rule - If the disclosure of information is necessary to prevent an advertisement from being deceptive, then it must be clear and conspicuous -- so translating those rules for effective use on the small screen of a handheld device should be the extent of change not a new set of regulations to learn then conform to.

If we must be regulated, allow the online and mobile communities to regulate ourselves.

The United States online and mobile communities have already begun to regulate themselves and collaborate with their colleagues across the globe. Organizations such as the Word of Mouth Marketing Association (WOMMA), the Mobile Marketing Association (MMA) and the Interactive Advertising Bureau (IAB) have begun to codify standards and best practices across various areas of online and mobile advertising. These standards are regularly updated with technological advancement because they are created by professionals engaged in the online and mobile marketing industries everyday. Who better to perfect standards in these emerging areas than marketing professionals familiar with existing Commission regulations and experts on the new technology?

Self regulation and market correction has worked in other parts of the world:

Not many years ago, the mobile gaming platforms across Asia were even more fragmented. Recognizing that this problem interfered with sales and cross commerce the Tencent-GREE-mig33 alliance was created. The alliance may not be seamless, but it has made it easier for developers to build apps and monetize them across these three markets and provided mobile game developers a one-stop-shop to market their games to three different market groups.

It is also practice in Japan for companies to provide unsolicited disclosures relative to new online and mobile advertising. Such as, the press release issued when Dentsu and Skype signed an Agreement to launch display advertising offering in Japan. The release included not only the companies plans but how the average user could control their advertising experience. This was BEFORE the advertising was ever deployed.

If Commission must impose additional regulation, it should think globally, consider trade implications of technological advances abroad, the potential for new international consumers and do nothing to hinder commerce.

According to [Juniper Research](#), one in five mobile phones will have NFC technology by 2013. NFC is based on pre-existing contactless payment and ticketing standards that are used on a daily basis by millions of people using their devices worldwide. Major credit card companies, like Visa, are poised to enter this space. According to Visa's William Gajda there are 2 billion people looking forward to mobile payment in world because they have a phone, but don't have a bank account or credit card.

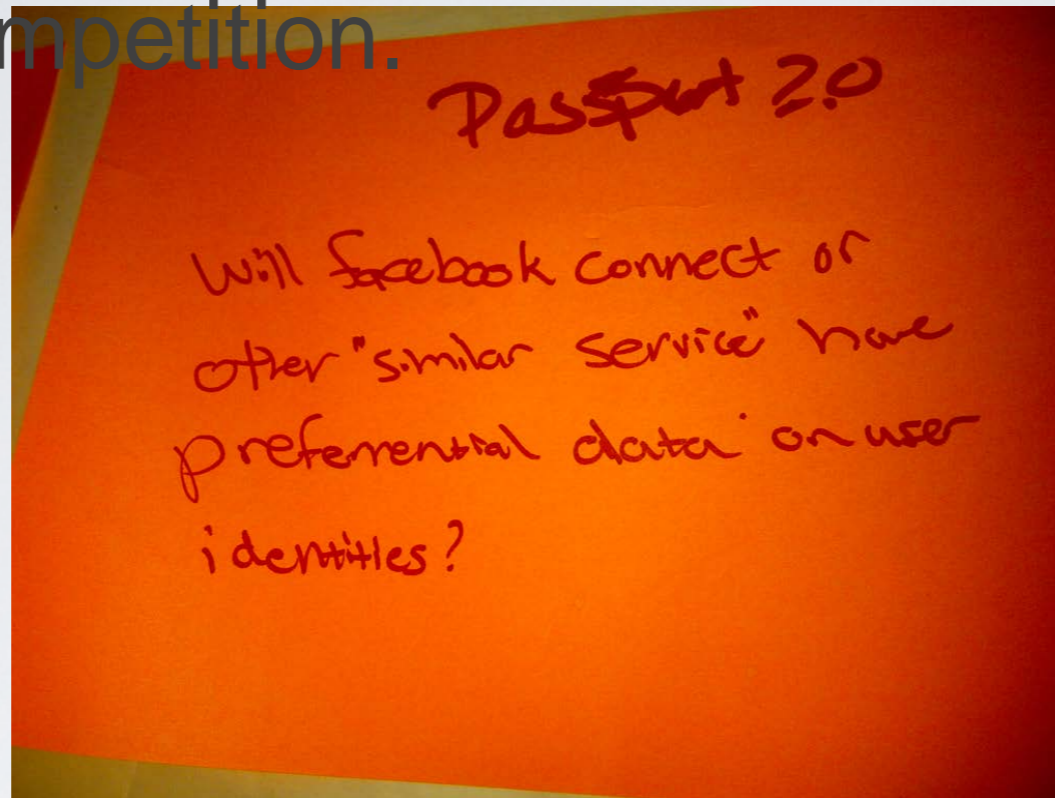
Half a billion people accessed the mobile internet worldwide in 200

There are 277 million mobile users in China.

Japan has been ahead of the mobile trend curve with pioneering mobile Internet (1998), NFC, Mobile GPS, television on phones, and app stores (2003). Japan's Consumer Policy Regime has managed to protect consumers without discouraging market expansion.

Worldwide spending on mobile advertising is predicted to be US \$3.3 billion in 2011 then sky rocket to \$20.6 billion in 2015, driven by search ads and local ads.

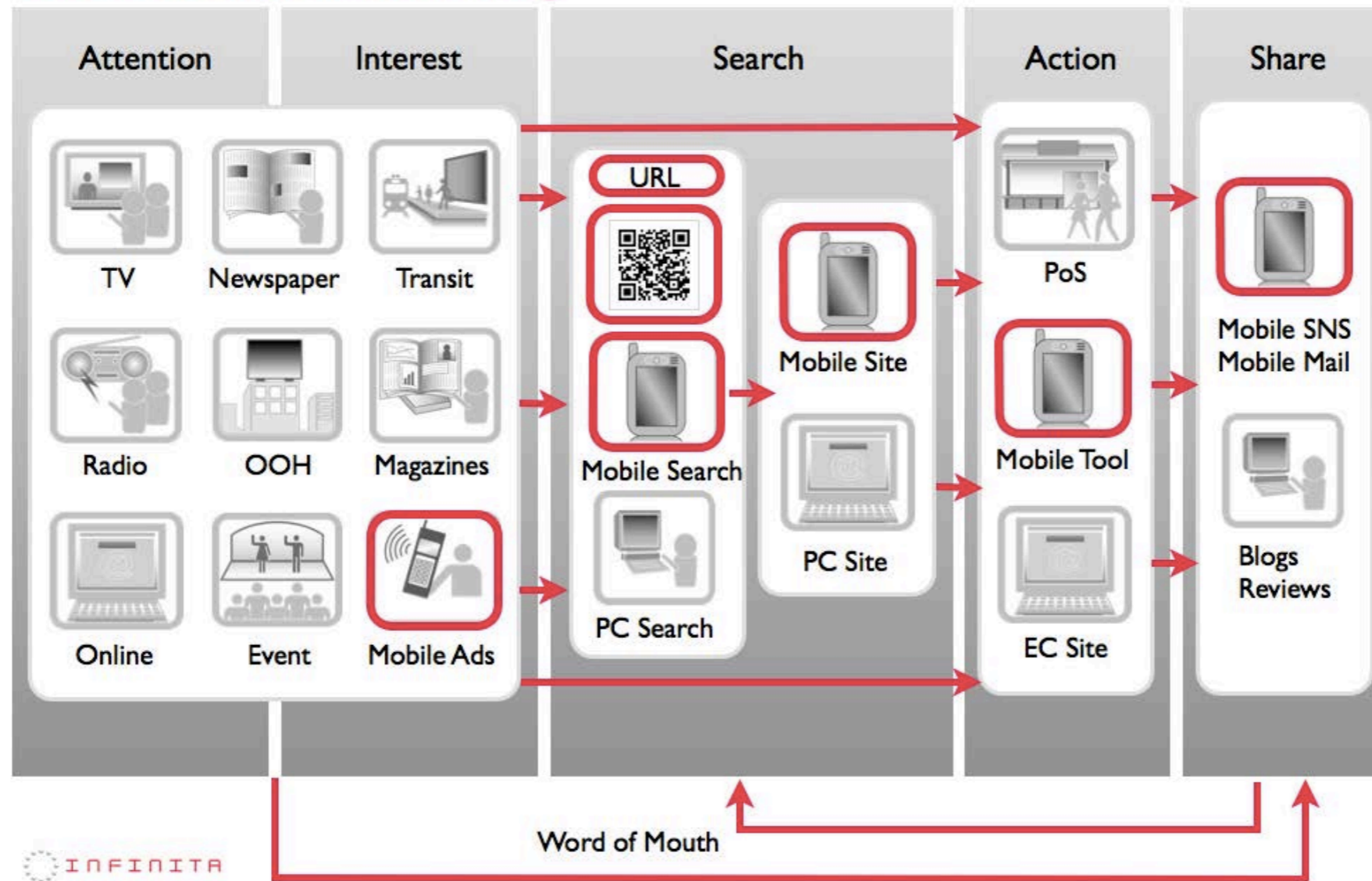
If the Commission must impose additional regulations, there should be no additions that interfere with global commerce, creativity or competition.



“Data is the New Oil.” Clive Humby’s quote is the new cliché of the online and mobile industries and much like the energy industry, if unchecked, regulation could be a financial block to entry into a once thriving open field. In making regulations, it is imperative not to favor encumbrance and thus make barriers to competition so high that new entrants are excluded or stalwarts become preferred. Further, any new rules or regulations should respect the potential damage to creativity that could be caused. The mobile market is growing exponential, but still has a long way to go. Stymying that growth with regulations, especially those not present for the rest of the world, could cripple the US’s ability to participate in global mobile advancement and the marketplace associated therewith.

Roles of Mobile Advertising

From attention to sharing



mobile data collection exists at the intersection of privacy + business marketing interests so consumers should be made aware of how their data is being used.

As users move through their day buying products, “checking -in,” using wi-fi and the like, thousands of data points are being transmitted. Those data points can then be aggregated to target marketing pushes based on the known interests of the consumer, also known as behavioral advertising -- preference data collected is paired with user identifying data then correlated to make suggestions.

The issue of disclosure should be key to any guidance provided relative to this type of online and mobile advertising. Specifically, consumers should be given clear, conspicuous disclosure regarding what is collected, a clear way to stop the action or modify the type of data being shared. Ideally, in order to provide consumers with easy control over their data, each application collecting data should include a web or mobile based “User Control Interface” that allows users to opt in or out at their leisure.

There is an inherent value in data,
consumers must be given a
borrowed for exchange of some
kind. - Harald Neidhardt

Disclosures in Augmented Reality

About Sekai Apps

Sekai Apps are applications that could be accessed within Sekai Camera.

Social graphs, Location information, and AR technologies have been combined to create amazing experiences where a block of office buildings turn into a magical kingdom filled with monsters, or a school of fish swim alongside bicycles on a busy crossroad, providing an ordinary scene into a wonderful playground.

We will have a wide range of applications like casual games where you could play around with your best buddies, social games where you connect with people all over the world, or communication tools which make your Sekai Camera even more exciting.

Stay Tuned!



In an AR video game there is the potential for product integration. Is promotional credit sufficient or is a longer disclosure necessary?

Start sharing adventures today with Trover!

Grab your iPhone and see what others have discovered nearby. Scroll through discoveries and "wander" farther from your location. You can travel virtually through nearby neighborhoods, towns, and states. If a discovery catches your eye, click on it to see more details and read what others are saying about it, or post a question to the person who made the discovery. We also provide directions, so you can go check it out.

Have fun posting your own discoveries to Trover by snapping a photo or selecting one from your photo album. It might be an arresting piece of graffiti, a hidden beach at the end of a winding path, or a killer sale at a favorite shoe store. You can add a description and we'll attach it to the photo and location.

Follow individuals who find places and things that appeal to you. Invite friends to Trover and see what they're uncovering nearby or in another city. And, stay tuned, as you may receive a "thanks" from someone who finds one of your discoveries on Trover and thinks it's cool, too.



Mobile Location-based Sharing Application

- Are these contributors considered bloggers and/or "word-of-mouth" marketers? If so, is the promotional consideration generally enough to warrant disclosure?

- Is a 50% off offer or similar considered an incentivized visits?



Geo-Location Based Social Media Platform



In this example above, has the user “opted in” by virtue of downloading the application?

What about when you just check-in? - is it different if you get invited or given a special?

Proximity Based Social Application



Introducing ToothTag for Android  **NeuAer**

Make your smartphone truly smart.

Discover your World

The NeuAer platform enables any smartphone to automate aspects of your digital life from whom or what is detected in it's physical space.

ToothTag, our showcase app, demos the power of this platform, and we hope that you will build your own plug-ins or apps on the **ProxPlatform framework**.

Create Useful Interactions

Control what happens as devices come into contact with your smartphone. The opportunities are endless.

- Automatically drop a map pin when you park your car
- Forward calls to your VoIP software, office or mobile phone based on your location
- Be alerted when someone is too close or far away from you without the need to pair devices.

This example application automatically collects and connects to open signals to provide something of value, is it still necessary to opt-in or is the user action sufficient?

Collected User ID information is not self identifying (no phone number, no email, etc) instead phone transmits and collects random device-based ID signals, what disclosure (if any) should be made?

* NeuAer is ahead of the regulatory curve and already includes a "Do Not Tag" list

MLOVE ideal Revisions

- No Regulation or Collaborative, Industry Self Governance is ideal. If not,
- Rules & Regulations consistent with the practices of the rest of the world. -- Allow for competition and commerce to flow throughout the worldwide mobile marketplace.
- Clear & Easy User Control Interface (preferably by FTC Standard) over advertising and marketing delivery, including benefits for opting in. -- Consumer has clear understanding of value proposition relative to information sharing and content acceptance.
- Standard Terms and Conditions paragraph, mandated by the FTC, explaining how to access and use the above mentioned User Control Interface.

Disclaimers

- All images gathered from publicly available sources and used for reference and educational purposes only.
- No claim of ownership is made to any Trademarks or Copyright included for demonstration.

Resources

<http://www.mobileyouth.asia/mobile-social-networking-and-youth-marketing-in-japan-with-kei-shimada/>

<http://ftcbeat.com/2011/06/23/ftc-goes-after-a-consumer-endorser-for-the-first-time/>

<http://www.dentsu.com/news/release/2011/pdf/2011-4-0719.pdf>

<http://techcrunch.com/2011/08/07/how-visa-plans-to-dominate-mobile-payments-create-the-digital-wallet-and-more/>

<http://behavioraltargeting.biz/behavioral-advertising/>

<http://mobithinking.com/guide-mobile-Web-2.0/>

http://news.cnet.com/8301-31921_3-20082777-281/street-view-cars-grabbed-locations-of-phones-pcs/#ixzz1UdNTtrS1

<http://asiancorrespondent.com/61115/japanese-mobile-gaming-social-network-mobages-launches-worldwide/>

http://news.cnet.com/8301-31921_3-20082777-281/street-view-cars-grabbed-locations-of-phones-pcs/