



December 5, 2018

Submitted Electronically

Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**RE: Workshop Examining Online Event Ticket Sales, Project No. P18450**

Ticketmaster welcomes the opportunity to submit this Comment to address the important challenges ticketing platforms face in online commerce, and to highlight what Ticketmaster is doing—and what industry stakeholders and regulators can achieve by working together—to further protect fans.

Specifically, the Comment proceeds in three parts, each reflecting important issues for all industry stakeholders, including:

- **Access To Legitimate Tickets:** Ticketmaster works to prevent fraud and deception in ticketing, and supports policies and practices that ban speculative ticketing, misleading websites, and incomplete ticket listings.
- **Getting Tickets to Fans, Not Bots:** Ticketmaster is blocking bots with technology, new laws, and enforcement, as well as through innovative new ticket formats that eliminate opportunities for abuse.
- **Ticket Type Disclosure and Access To Face Value Tickets:** Ticketmaster supports policies and practices that provide fans greater clarity into where tickets originated and what type of tickets are available.

Ticketmaster looks forward to discussing these initiatives with the Commission and working with the Commission to improve the ticketing ecosystem.

Sincerely,

Katie Peters  
Vice President Public Policy  
Ticketmaster

## **A. Access to Legitimate Tickets**

It is estimated that more than one out of ten fans encounter some form of ticketing fraud each year.<sup>1</sup> Ticketmaster continues to invest in a suite of technologies to help eliminate fraud.

### **1. Prohibiting Speculative Sales**

Speculative ticketing is a practice employed by some ticket resellers to sell tickets they have no rights to or have not yet acquired.<sup>2</sup> As an example, for one upcoming concert at the TD Garden in Boston, more than 1,000 tickets were listed for sale on resale platforms days before the tickets were released for sale to the public. Fans who buy speculative tickets like these often do not realize they have only purchased the right to buy tickets if the seller is able to acquire them, and may have their "tickets" cancelled if the seller cannot deliver.

Ticketmaster bans speculative ticketing from our resale marketplaces. Specifically for concerts and theater, Ticketmaster also denies sellers the ability to list tickets for sale prior an event's on-sale date. To ensure that this prohibition is effective, any tickets we determined are not held by sellers are removed from our sites.

### **2. Eliminating Deceptive Marketing**

Many ticket marketplaces routinely use websites and URLs featuring language or images of an artist, venue, team, or entertainment event.<sup>3</sup> These websites can deceive consumers by giving the false appearance of an official or legitimate ticket selling channel. Ticketmaster supports the Federal Trade Commission's continuing efforts to enforce the laws against this unfair trade practice.<sup>4</sup> To better protect fans, Ticketmaster is working with industry partners, including Google, to make sure deceptive marketing such as this is

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<sup>1</sup> See Megan Leonhardt, "About 12 percent of people buying concert tickets get scammed," CNBC.COM (Sept. 14, 2018), *available at* <https://www.cnbc.com/2018/09/13/about-12-percent-of-people-buying-concert-ticketsget-scammed-.html>.

<sup>2</sup> Ticketmaster Insider, "What is Speculative Ticketing?" (Aug. 15, 2017), *available at* <https://insider.ticketmaster.com/spec-ticketing/>.

<sup>3</sup> See, e.g., Kyle Iboshi, "Looking for concert tickets? Don't be fooled by online scalpers," KING 5 NEWS SEATTLE (Feb. 13, 2018), *available at* <https://www.king5.com/article/news/investigations/looking-for-concert-tickets-dont-be-fooled-by-online-scalpers/281-518293182>.

<sup>4</sup> See Federal Trade Commission, "Ticket resellers settle misleading advertising charges" (July 24, 2014), *available at* <https://www.consumer.ftc.gov/blog/2014/07/ticket-resellers-settle-misleading-advertising-charges>.

not rewarded in search results,<sup>5</sup> as well as state policymakers and regulators to enact and enforce state laws that specifically prohibit deceptive URLs in ticketing.<sup>6</sup>

### 3. ***Deploying New Technologies***

#### a. Barcode Control And Reissue

Most modern venues in the U.S. rely on barcode-scanning technology to grant or deny entry to their events at the turnstile. But barcodes can be easily duplicated or faked, and modern online resale ticketing creates the specific risk that a seller can print and sell copies of the same ticket to multiple buyers. To protect fans at venues with Ticketmaster barcode scanning, we require resellers to provide their listed ticket barcode, which we then hold in escrow only to be reissued in the name of the new purchaser along with newly issued barcodes.<sup>7</sup> This process prevents a reseller from listing the same ticket for sale more than once, and guarantees that any fan who purchases a resale ticket on a Ticketmaster platform is purchasing a *bona fide* ticket that will guarantee entry.

#### b. Digital Ticketing

Ticketmaster is also developing software and technology to support secure, all-digital ticketing solutions.<sup>8</sup> At venues that choose to use Ticketmaster's digital technology (called "Presence"), fans use their mobile devices to access digital tickets that they download to a digital wallet. These digital tickets contain a unique token that emits a signal to turnstile readers. Only the fan who purchased the ticket, and downloaded it to their mobile device, can access or transfer it.

More than 175 venues (including those used by the National Football League) have implemented Ticketmaster Presence technologies, and more than eight million fans have entered venues using the technology as of September 30, 2018.<sup>9</sup> Venues that have implemented Presence have observed drastic reductions in physical ticket fraud. At the Orlando City Stadium in Orlando, Florida, for example, the venue operator found that

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<sup>5</sup> See Google Support, "About event ticket reseller certification" (accessed Oct. 29, 2018) (Google will not promote ads for resellers who use "Event-associated group names in display URL"), available at <https://support.google.com/adspolicy/answer/7577050?hl=en>

<sup>6</sup> See, e.g., S.B. 197 (Ala. 2018) at § 2; S.B. 1640 (Tenn. 2018) at § 1-3.

<sup>7</sup> See, e.g., TicketsNow, "Tickets When, Where and How You Want Them" (accessed Oct. 29, 2018), available at <http://www.ticketsnow.com/ticketmaster>; see also Ticketmaster, "FAQ: How does a ticket transfer work? Is it safe?" (accessed Oct. 29, 2018) (describing use of this barcode protection in ticket transfer product), available at <https://www.ticketmaster.com/h/transfertickets.html>

<sup>8</sup> "Ticketmaster Presence: When tickets go digital, event going gets better," Ticketmaster Tech Blog (July 12, 2017), available at <https://tech.ticketmaster.com/2017/07/12/ticketmaster-presence-when-tickets-go-digital-event-going-better/>

<sup>9</sup> See, e.g., "Ticketmaster Presence wins Best in Sports Technology at Sports Business Awards," Ticketmaster Tech Blog (May 31, 2018), available at <https://tech.ticketmaster.com/2018/05/31/ticketmaster-presence-wins-best-in-sports-technology-at-sports-business-awards/>

Ticketmaster Presence reduced instances of fraud from more than 120 cases per event to zero.<sup>10</sup>

In some cases, like that of the NFL, we expect these digital ticketing tools will be used to increase distribution and validation of resale inventory across multiple ticket marketplaces, not just Ticketmaster. And in others cases, digital ticketing could be used by some artists to offer tickets lower than “market price” to their fans without fear of bad actors stepping in to buy those tickets in order to resell them at a profit. In either event, Ticketmaster will provide its platform and tools to stakeholders—artists, teams, venues—to decide how they want to distribute their tickets.

## **B. Getting Tickets To Fans, Not Bots**

As ticketing has moved online and away from the box office, computing power and artificial intelligence has given unscrupulous professional ticket resellers an advantage over ordinary fans in securing the best available tickets. Ticketing “bots” allow resellers to rapidly search for, hold, and purchase multiple primary tickets faster than any human, and to the detriment of fans.<sup>11</sup> Ticketmaster is working on multiple fronts to ensure that tickets are accessible to real fans.

### **1. Investing In Technologies That Block Bots**

In the last two and a half years, Ticketmaster’s pattern-recognition software has blocked billions of bots from its platforms.<sup>12</sup> Ticketmaster recently changed the way it conducts online sales to continue trying to take away bots’ processing advantages through “waiting rooms.” Waiting rooms randomly assign ticket purchasers to a place in an online queue.<sup>13</sup> By securing positions in a “line,” fans can browse available tickets on a human scale without having to compete with the speed of bot software.

A number of artists have also elected to deploy a new Ticketmaster technology, called “Verified Fan,” which uses data science to direct tickets into the hands of an artist’s most ardent fans.<sup>14</sup> The Verified Fan system allows a touring artist to post a verified

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<sup>10</sup> “Ticketmaster Presence: When tickets go digital, event going gets better,” Ticketmaster Tech Blog (July 12, 2017), *available at* <https://tech.ticketmaster.com/2017/07/12/ticketmaster-presence-when-tickets-go-digital-event-going-gets-better/>; *see also* Avery Yang, “Orlando City SC: No Fraud Thus Far Thanks To Paperless Tickets,” *SportTechie* (July 10, 2017), *available at* <https://www.sporttechie.com/orlando-city-sc-no-fraud-paperless-tickets/>

<sup>11</sup> “Battling ticket bots,” FTC Blog (Aug. 14, 2017), *available at* <https://www.consumer.ftc.gov/blog/2017/08/battling-ticket-bots>

<sup>12</sup> Josh McConnell, “Ticketmaster is killing the bar code and choosing which fans can buy tickets in fight against bots and scalpers,” *FINANCIAL POST* (Jan. 2, 2018), *available at* <https://business.financialpost.com/technology/personal-tech/ticketmaster-is-killing-the-bar-code-and-choosing-which-fans-can-buy-tickets-in-fight-against-bots-and-scalpers>

<sup>13</sup> “Ticketmaster Waiting Room,” Ticketmaster.com (accessed Oct. 30, 2018), *available at* <https://www.ticketmaster.com/h/waitingroom.html>

<sup>14</sup> “Ticketmaster Verified Fan FAQ,” Ticketmaster.com (accessed Oct. 30, 2018), *available at* <https://insider.ticketmaster.com/verifiedfan-faq/>

registration link where their fans can register with personal identifying information (such as an e-mail address or mobile phone number) that establishes that they are a real person. Verified fans then receive a unique code that enables them the opportunity to purchase tickets at the stated on-sale time without the intrusion of bots. More than 100 tours have used Ticketmaster's Verified Fan system to date, driving consistently higher tickets into the hands of fans.<sup>15</sup>

## 2. ***Working With Legislative Partners To Outlaw Bots***

In addition to developing new tools to battle bots, Ticketmaster is a strong advocate for laws that give regulators tools to battle bots with fines and enforcement actions. At the federal level, Ticketmaster was proud to support the BOTS Act of 2016, which prohibits the sale and use of bots that exist to circumvent online ticketing platforms' security and fan protection settings. Ticketmaster worked closely with Senator Jerry Moran and Senator-elect Marsha Blackburn's offices to develop the BOTS Act.

Ticketmaster is also actively working with state legislatures across the country to develop and enact anti-bot legislation. Both New York<sup>16</sup> and New Jersey<sup>17</sup> passed laws in 2018 to crack down on ticketing bots. Ticketmaster will continue to work with state legislatures and Congress to pass laws that protect fans from bots.

## 3. ***Enforcing Laws To Keep Bots Out Of Ticketing***

The BOTS Act empowered the Federal Trade Commission and state attorneys general to enforce against entities and individuals that develop and deploy BOTS to buy tickets, to the disadvantage of consumers. We were particularly pleased to hear Commissioner Slaughter testify to the Senate Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security that the Commission is "actively monitoring for enforcement opportunities," and uniformly enthusiastic about enforcement moving forward.<sup>18</sup> Ticketmaster stands willing to assist in any efforts to enforce the BOTS Act against bad actors.

In addition, as bot operators move their operations overseas,<sup>19</sup> Ticketmaster encourages the Federal Trade Commission to broaden its ongoing enforcement efforts to

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<sup>15</sup> Dave Brooks, "Ticketmaster's Verified Fan Has Had 90% Success Rate At Blocking Bots, Says Live Nation CEO Michael Rapino," *BILLBOARD* (Sept. 8, 2017), available at <https://www.billboard.com/articles/business/7957835/ticketmaster-verified-fan-90-percent-success-rate-rapino>

<sup>16</sup> S.B. 8501-B (N.Y. 2018) at § 4.

<sup>17</sup> A.B. 4259 (N.J. 2018) at § 3 (amending N.J. Rev. Stat. 56:8-34).

<sup>18</sup> Senate Hearing on Oversight of the Federal Trade Commission Before the Subcomm. On Consumer Protection, Prod. Safety, Ins., and Data Sec. of the S. Comm. On Commerce, Science, & Transp., 115th Cong. at 2:34:54 (Nov. 27, 2018) (statement of The Hon. Rebecca K. Slaughter, Commissioner, Federal Trade Commission).

<sup>19</sup> See, e.g., James Purtill, "The Man Who Invented Ticket Bots Explains Why You Can't Get That Gig Ticket," *AUSTRALIAN BROADCASTING CORP.* (Oct. 16, 2017) (reporting that "there's a chance there's a human somewhere, possibly in India, typing numbers and letters into a CAPTCHA

reach international bad actors who launch attacks to interfere with and defraud domestic events and consumers. The U.S. Departments of Commerce and Homeland Security recently issued a joint report documenting the risks posed by these international actors, and recommending U.S. regulatory enforcement to establish international standards.<sup>20</sup> For the same reason, Ticketmaster also submitted a comment to the Office of the United States Trade Representative seeking to make international enforcement of anti-bot laws a component of a forthcoming bilateral trade agreement between the United States and Japan.<sup>21</sup>

### C. Ticket Type Disclosure and Access to Face Value Tickets

Fans shopping for tickets on online platforms should be able to easily discern which tickets are primary and which tickets are being resold. In addition, consumers should be advised of where they can go for official primary inventory from the initial seller. Ticketmaster platforms already conspicuously list both primary and resale seats sold on a single integrated seat map, and beginning this year, Ticketmaster is also placing links to *third party* primary ticketing sites for many concerts and theater events where Ticketmaster is not the official initial seller. A fan browsing Ticketmaster's concert and theatre ticket inventory will be able to compare prices for secondary tickets listed for sale on Ticketmaster resale with primary tickets listed for sale *even by competitors*. Ticketmaster encourages other resale ticketing platforms to implement similar procedures to offer fans links to official box offices alongside their resale inventory.

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Ticketing platforms, and the live entertainment industry, face important challenges in online and mobile commerce. While new technologies create opportunities for better fan experiences, they can also aid in powering bad actors leading to fraud and abuse. Ticketmaster looks forward to working together with industry stakeholders and regulators including the Federal Trade Commission on the initiatives discussed above to ensure that emerging opportunities in ticketing are leveraged to deliver the fair, safe, and accessible ticketing experience for fans.

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box so that a bot, which has been sold in Panama, and possibly launched from Eastern Europe, can buy tickets in Australia" or elsewhere), *available at* <https://www.abc.net.au/triplej/programs/hack/ticketbot-inventor-ken-lowson-explains-scalping/9055238>; Lucy Cormack, "Ticket scalping bots high on the agenda for international consumer advocates," Sydney Morning Herald (April 22, 2017), *available at* <https://www.smh.com.au/business/consumer-affairs/ticket-scalping-bots-high-on-the-agenda-for-international-consumer-advocates-20170421-gvpyxa.html>

<sup>20</sup> See U.S. Department of Commerce and U.S. Department of Homeland Security, "Report to the President on Enhancing the Resilience of the Internet and Communications Ecosystem Against Botnets and Other Automated, Distributed Threats" (May 30, 2018), *available at* [https://csrc.nist.gov/CSRC/media/Publications/white-paper/2018/05/30/enhancing-resilience-against-botnets--report-to-the-president/final/documents/eo\\_13800\\_botnet\\_report\\_-\\_finalv2.pdf](https://csrc.nist.gov/CSRC/media/Publications/white-paper/2018/05/30/enhancing-resilience-against-botnets--report-to-the-president/final/documents/eo_13800_botnet_report_-_finalv2.pdf)

<sup>21</sup> See Ticketmaster Comment to Office of the U.S. Trade Representative, "Negotiating Objectives for the US-Japan Trade Agreement," Dkt. No. USTR-2018-0034 (Nov. 26, 2018), *available at* <https://www.regulations.gov/document?D=USTR-2018-0034-0129>