

# WHY BLOCKING AD BLOCKING VIOLATES PRIVACY

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# Ad blocking overview

- 20-80% of mobile subscription data is advertising
- User sees 2000-5000 ads/day
- Under neutrality: users required to pay same for all data, regardless of how they value it
- Net neutrality/open internet favors advertisers over end users ("edge centrism")
- Users are increasingly limited in their ability to protect themselves from unwanted ads (some blockers not allowed, some business models not allowed)
- Regulation constrains innovative solutions which could solve the problem
- Some countries' net neutrality rules require blocking if requested by user
- Developed vs. developing country perspectives



# Status in EU

- EU Cookie Directive not effective, \$2.3 billion loss in sales and productivity annually
- GDPR focuses on regulation, not innovation
- Application level ad blockers ok (but banned in Google Play)
- Network level ad blockers scrutinized by regulators and net neutrality advocates, but offer better security
- Internet Advertising Bureau says EU net neutrality rules make network level blocking illegal but admits ads have been excessive. Suggests LEAN standard. Light, Encrypted, Ad choice supported, Non-invasive ads.
- Mobile operators offer ad blocking service for a fee (3 UK, DT), way to recover revenue, but indicative of business model that puts all cost on end user and not content provider.
- Arguably ad blocking has been more effective than Cookie Law to get advertisers to clean up ads



# Legal questions

- Whether allowing browser blockers but not cloud blockers violates tech neutrality norms
- Ad blocking bans could violate Article 8 of Charter of Fundamental Rights of European Union under the “protection of personal data”
- Ad blocking bans could violate ePrivacy directive Article 5(3) 2002/58/EC
- Moreover, the European Union protects private communications from unlawful tracking and profiling.
- Just because services over mobile broadband networks are available, and ubiquitous does not allow ad servers to undermine users’ fundamental rights



# Arguments against ad blocking

- Ads are necessary to pay for Internet content
- Violation of free speech
- Blocking ads increases the cost and tracking on those who don't block ads
- Blocking ads violates free speech
- Ad blocking is piracy (taking content without payment)



# Arguments for ad blocking

- Cost control
- Digital self defense, user choice: ad serving technology is pervasive. Not like leaving the room during a TV commercial
- Signal to advertisers to improve ad quality
- Energy efficiency (battery life)

Ghostery survey of 100 million users

- Privacy (20%)
- Usability (20%)
- Security (40%)
  - "Malvertising" responsible for \$8.5 billion in losses annually
  - Block offending malvertising before it enters network, conserve network capacity, lessen disturbances in traffic flow, improve user experience



# Other solutions

- No data caps (doesn't solve problem of ad-induced congestion, signal noise)
- New business models
  - Subscriptions, Micro-transactions, Sponsorships, Cross-subsidies from other offers. But these are challenged by net neutrality rules which desire that end user pay total cost of content
- Better ad design: more relevance, efficiency, security, privacy
- Ad management tools: contextual based privacy tools, network level settings that can syndicate across all services, apps, devices. (Ghostery)
- User compensation: sponsored data, toll free apps, mCent
- User education
- Designate preferred advertisers
- Regulation: create a class of traffic called advertising



# Ad blocking is not ideal and nor is regulation

- Regulation is not helping
  - No indication that EU privacy rules are creating competition, facilitating market entry of European ad serving technology
  - FCC's new privacy rules increase market power of ad platform oligopoly
  - No incentives for privacy by design solutions
  - EU antitrust against Google ongoing for a decade
- Ad blocking is a sub-optimal solution. Likely indicative of a larger problem on internet
  - Less than ideal ways to pay for content
  - Not enough competition in advertising (oligopoly, Google with 30%+ of global digital ad revenue)
  - Monolithic way to sell internet service (end user pays all)
  - Limited innovation in ad serving and business models
  - No compensation to end user for seeing ad

