

IAB/4A's Release Draft Standard Addendum for Digital Video Advertising in TV Long Form Video for Public Comment

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Media, Internet, and Technology

Digital advertising typically involves a vast network of publishers, advertisers and their agencies, advertising exchanges and networks, technology platforms, and measurement and data analytics providers. To help streamline the commercial dealings of all of these parties in this complex ecosystem, advertising industry self-regulatory groups have developed various standards and protocols. Among those standards are the Standard Terms and Conditions for Internet Advertising for Media Buys One Year or Less Version 3.0 (the "Standard Terms"), which were created by two such self-regulatory groups: the Interactive Advertising Bureau ("IAB") and American Association of Advertising Agencies ("4A's"). The Standard Terms provide a voluntary framework of suggested terms that cover many aspects of the digital advertising buying process, including data collection and privacy, advertising placement, and measurement.

Since their release, the Standard Terms have been widely adopted and used throughout the digital advertising industry. Earlier this month, the IAB and 4A's, in conjunction with a working group of leading media companies and advertising agencies, released a [draft addendum](#) to the Standard Terms for public comment—the first of its kind in over six years. This addendum is intended to reduce delays and expenses associated with digital video advertising in professionally-produced video content that is eight minutes or longer and distributed via both traditional TV and digital platforms or via digital platforms only ("Long Form Video").

This addendum has the potential to have a far reaching impact on traditional and new media companies, advertisers, and agencies alike. Comments are due to the IAB and 4A's by Monday, February 5, 2018, 5:00 PM EST.

Key Terms in the Draft Addendum

The draft addendum provides incremental template terms that amend and supplement the Standard Terms to specifically address issues impacting digital video advertising buys in Long Form Video. While the terms of the addendum are simply suggestions and not required, the addendum could serve as precedent for contract negotiations related to Long Form Video going forward. The following is a non-exhaustive overview of several important aspects of the draft addendum:

1. Do Not Run Lists. It is suggested that “Do Not Run Lists” specify particular programs as opposed to descriptive categories of prohibited content, with the exception of particular TV content ratings (e.g., TV-MA V).
2. Prohibited Inventory. There is a suggested prohibition on running purchased advertisements as in-banner video or auto-play video, and on supplying inventory that is the result of non-organic, paid audience acquisition.
3. Over-Delivery of Impressions. In campaigns with guaranteed impression delivery for demographic characteristics, media companies sometimes over-deliver on the number of impressions. The draft addendum would require the media companies to be responsible for the cost for impressions served above a negotiated threshold.
4. Cancellation of Digital-Only Buys. The draft addendum allows for advertisers to cancel a negotiated percentage of their media buys without penalty. However, buys in the following situations are not cancelable:
 - a. For inventory purchased prior to the start of a broadcast year for delivery from October through September (*i.e.*, a broadcast calendar upfront buy), inventory allocated to October, November, and December (“OND”) is not cancelable.
 - b. For inventory purchased prior to the start of a calendar year for delivery from January through December (*i.e.*, a calendar upfront buy), inventory allocated to January, February, and March is not cancelable.
 - c. For inventory purchased based on market availability, which is typically run in the current quarter or year (*i.e.*, a scatter market buy), inventory allocated to OND is not cancelable.
5. Late and Incomplete Materials. The working group identified late, incomplete, and non-conforming materials as a primary factor leading to campaign delays and challenges. To address these challenges, the draft addendum completely replaces a provision in the Standard Terms regarding late and damaged creatives with a proposed timeline for materials submission and review, and suggests provisions that would require the parties to address issues that may arise in good faith. This is in contrast to the original Standard Terms provision where delivery guarantees are removed when advertising materials are late and allowed the media company to begin charging the advertiser on a pro rata basis for each day that creatives are not received.
6. Measurements. The working group identified discrepancies in controlling measurements as a key factor that can lead to performance and billing issues. The draft addendum proposes to replace the ad serving and tracking provisions of the Standard Terms with the measurement provisions in the draft addendum. The new provisions suggest that the agency’s ad server should govern measurement for gross advertisement impressions and the parties should use reasonable efforts to deploy the media company’s ad tags for additional metrics.

Next Steps

After the public comment period concludes, the joint IAB and 4A’s working group will evaluate the feedback received and release a final version of the addendum.

If you have any questions concerning the IAB/4A's draft addendum or would like assistance in submitting comments, please contact the following members of our firm:

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