

Comment to Federal Trade Commision: National "Do Not Email" Registry March 30, 2004

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About Innovyx, Inc.

Innovyx, Inc., a Seattle based corporation and wholly owned by the Omnicom Group (NYSE:OMC), is a recognized leader within the permission email marketing industry. In recent years Innovyx staff have participated in leadership roles with the Direct Marketing Association, testified before State legislatures on spam hearings, and contributed to an FTC Ad Hoc Committee concerning spam. Innovyx, Inc. currently holds a chair leadership position with the Email Processing Industry Alliance (http://www.epia.org)

More importantly, Innovyx works everyday with advertisers to implement only "best practices" relating to the use of commercial email. As a result, Fortune 500 companies entrust Innovyx to manage their email marketing programs and similarly Internet Service Providers respect Innovyx enough to bestow preferred status as a recognized "good guy" in the email marketing industry.

Innovyx submits the following comments as an experienced and respected Industry leader.

Innovyx Does NOT Support a Do Not Email Registry

Innovyx strongly encourages the Federal Trade Commission to not pursue development of a Do Not Email (DNE) Registry. The reasons are as follows:

- 1. *DNE will not stop spam*. Spammers will not use the DNE. Usage would require the spammer to incur processing costs and also risk exposing their hidden operating locations. Minimizing costs and hiding from authorities are what defines a spammer.
- 2. *DNE will confuse consumers*. Consumers will register for DNE expecting it to stop the spam email but allow the good email they requested to continue. However, as stated above, spammers will not use DNE. Only legitimate marketers will use DNE which may result in stoppage of their good email. So, DNE may trigger the exact opposite situation from what the consumer expects. This will undoubtedly place the FTC in an embarrassing position with many unhappy citizens.
- 3. *DNE will confuse marketers*. Should the legitimate marketer delete all DNE subscribers from their email marketing programs? What about subscribers that expressly, provided permission to the marketer, should that person be deleted as well? Hence, DNE may similarly place companies in an embarrassing position with many unhappy customers.
- 4. *DNE will create an attractive email database source for "hacker spammers."* What better hacking target than a huge database of active and primary email addresses. Presumably, consumers will not register their "throwaway" free email accounts but rather look to DNE as a means to protect their primary email address, ie. the email address every spammer seeks to find.



Email vs. Telephone: Contrasting Economics

"Do Not Call" logically works because marketers, whether legitimate or not, all incur significant expense to place a telemarketing call. This cost factor drives marketers to focus phone calls on targeted and interested likely buyers. However, no such cost-driver exists in the world of spam email marketing. Spammers generally send millions of emails at no or extremely little cost. Hence, DNE presents only a negative economic impact for the spammer. Logic dictates to expect virtually zero spammer compliance to the DNE program.

Additional Information

The continued scourge of spam threatens the growth, and even the existence, of the legitimate email marketing industry. As such, Innovyx, Inc. remains steadfast in dedicating resources to working with industry, consumer, and governmental bodies. Innovyx happily offers any support we can provide the FTC in this regard.

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