To Members of the United States Congress:

The undersigned are 130 entrepreneurs, founders, CEOs and executives who have been involved in 283 technology start-ups, and who have created over 50,000 jobs directly through our companies and hundreds of thousands, if not millions, more through the technologies we invented, funded, brought to market and made mainstream. We write today urging you to reject S.968, the PROTECT IP Act, also known as "PIPA." We appreciate the stated purpose of the bill, but we fear that if PIPA is allowed to become law in its present form, it will hurt economic growth and chill innovation in legitimate services that help people create, communicate, and make money online.

It is a truism that small businesses create significant economic growth and jobs, but it is more accurate to say that *new* businesses, including tech start-ups, are most important.¹ The Internet is a key engine of today's economy,² and much of its economic contribution is attributable to companies that did not even exist 10 or even 5 years ago. The Internet has also created new opportunities for artists and other content creators -- today, there is more content being created by more people on more platforms (including some of our businesses) than ever before.

We are not opposed to copyright or the bill's intent, but we do not think this bill will actually fulfill copyright's purpose of encouraging innovation and creativity. While the bill will create uncertainty for many legitimate businesses and in turn undermine innovation and creativity on those services, the dedicated pirates who use and operate "rogue" sites will simply migrate to platforms that conceal their activities.

Our concerns include the following:

• The notion of sites "dedicated to infringing activities" is vague and ripe for abuse, particularly when combined with a private right of action for rightsholders: Legitimate sites with legitimate uses can also in many cases be used for piracy. Historically, overzealous rightsholders have tried to stop many legitimate technologies that disrupted their existing business models and facilitated some unauthorized activity. The following technologies were condemned at one point or another - the gramophone (record player), the player piano, radio, television, the photocopier, cable TV, the VCR, the DVR, the mp3 player and video hosting platforms. Even though these technologies obviously survived, many individual businesses like DVR-maker ReplayTV and video platform Veoh were not so fortunate - those companies went bankrupt due to litigation costs, and sold their remaining assets to foreign companies.

PIPA provides a new weapon against legitimate businesses and "rogue" sites alike, and the concern in this context is not merely historical or theoretical. Recent press reports noted that advertising giant WPP's GroupM subsidiary had put together a list of 2,000 sites that were declared to be "supporting piracy," on which none of its advertising would be allowed to appear. That list - which was put together with suggestions from GroupM clients - includes Vibe.com, the online version of the famed Vibe Magazine, founded by Quincy Jones, and a leading publication for the hip hop and R&B community. It also included the Internet Archive's Wayback Machine, which preserves copies of Web pages in order to fill a similar function as libraries.

When a famous magazine and a library get lumped in with "rogue pirate sites" in this way, it's not hard to see how an overzealous copyright holder might seek to shut legitimate businesses down through PIPA.

• The bill would create significant burdens for smaller tech companies: One of the key reasons why

¹See John Haitiwanger et al, Who Creates Jobs? Small vs. Large vs. Young, <u>US Census Bureau Center for</u> <u>Economic Studies Paper No. CES-WP- 10-17</u> (August 2010), available at http://papers.ssrn.com/sol3/papers.cfm? abstract_id=1666157&

²See McKinsey Global Institute, Internet Matters (May 2011), available at http://www.mckinsey.com/mgi/publications/ internet_matters/pdfs/MGI_internet_matters_full_report.pdf

startups and innovative small businesses became the success stories we know of today was protection from misguided lawsuits under the safe harbors of Section 512 of the Digital Millennium Copyright Act (DMCA). By properly putting the legal liability on the actual actors of infringement rather than third-parties, Congress wisely ensured that service providers, such as many of the companies represented in this letter, could flourish.

PIPA would put new burdens and possible liability on independent third parties, including payment processors, advertising firms, information location tools and others. The definitions here are incredibly vague, and many companies signed below could fall under the broad definitions of "information location tools," meaning costly changes to their infrastructure, including how we remain in compliance with blocking orders on an ever-changing Internet.

Separately, including a private right of action means that any rightsholder can tie up a service provider in costly legal action, even if it eventually turns out to not be valid. Given the broad definitions used above for sites "supporting piracy," it's not difficult to predict that plenty of legitimate startups may end up having to spend time, money and resources to deal with such actions.

These burdens will be particularly intense for small businesses who can't easily afford the legal fees, infrastructure costs or staff required to remain in compliance with broadly worded laws in a rapidly changing ecosystem.

Legitimate services already do their part by following the notice-and-takedown system of the DMCA. While we take these types of legal responsibilities seriously and already take on costs to do so, that's no reason to pile on additional regulations.

• Breaking DNS will harm our ability to build new, safe, and secure services. As detailed in a recent whitepaper by some of the foremost experts in Internet architecture and security, PIPA will fragment parts of key Internet infrastructure, and disrupt key security tools in use today.³ Interfering in the basic technological underpinnings of the Internet that we all rely on today would be a huge anchor on innovation in many of our companies.

As Web entrepreneurs and Web users, we want to ensure that artists and great creative content can thrive online. But this isn't the right way to address the underlying issue. Introducing this new regulatory weapon into the piracy arms race won't stop the arms race, but it will ensure there will be more collateral damage along the way. There are certainly challenges to succeeding as a content creator online, but the opportunities are far greater than the challenges, and the best way to address the latter is to create more of the former.

In other words, innovation in the form of more content tools, platforms and services is the right way to address piracy -- while also creating new jobs and fueling economic growth. Entrepreneurs like us can help do that; PIPA can't.

Sincerely,

(In alphabetical order by name, followed by companies either founded or where one was in a job-creating executive role)

Jonathan Abrams Nuzzel, Founders Den, Socializr, Friendster, HotLinks

Asheesh Advani Covestor, Virgin Money USA, CircleLending

David Albert Hackruiter

³ Security and Other Technical Concerns Raised by the DNS Filtering Requirements in the PROTECT IP Bill" <u>http://</u> <u>domainincite.com/docs/PROTECT-IP-Technical-Whitepaper-Final.pdf</u>

Will Aldrich SurveyMonkey, Triplt, Yahoo

Courtland Allen Syphir, Tyrant

Jean Aw NOTCOT Inc.

Andy Baio Upcoming, Kickstarter

Edward Baker Friend.ly

Jonathan Baudanza beatlab.com, Rupture

Katia Beauchamp Birchbox

Idan Beck Incident Technologies

Matthew Bellows Yesware Inc., WGR Media

David Berger XL Marketing, Caridian Marketing Labs

Nicholas Bergson-Shilcock Hackruiter

Ted Blackman Course Zero Automation, Motion Arcade

Matthew Blumberg MovieFone, ReturnPath

Nic Borg Edmodo

Bruce Bower Plastic Jungle, Blackhawk Network, Reactrix, Soliloquy Learning, ZapMe! Corporation, YES! Entertainment

Josh Buckley MinoMonsters

John Buckman Lyris, Magnatune, BookMooch Justin Cannon Lingt Language, EveryArt

Teck Chia OpenAppMkt, Omigosh LLC, Gabbly.com

Michael Clouser iLoding, Market Diligence, CEO Research, New Era Strategies

Zach Coelius Triggit, Votes For Students, Coelius Enterprises

John Collison Stripe

Ben Congleton Olark, Nethernet

Dave Copps PureDiscovery, Engenium

Jon Crawford Storenvy

Dennis Crowley Foursquare, Dodgeball

Angus Davis Swipely, Tellme

Eric DeMenthon PadMapper.com

Steve DeWald Proper Suit, Data Marketplace, Maggwire

Chad Dickerson Etsy

Suhail Doshi Mixpanel

Natalie Downe Lanyrd Inc. Nick Ducoff Infochimps

Jennifer Dulski The Dealmap

Rod Ebrahimi ReadyForZero, DirectHost

Chas Edwards Luminate, Digg, Federated Media, MySimon

David Federlein Fowlsound Productions, Soapbox Coffee, Inc.

Mark Fletcher ONElist, Bloglines

Andrew Fong Kirkland North

Tom Frangione Simply Continuous, Telphia

Brian Frank Live Colony

Ken Fromm Vivid Studios, Loomia, Iron.io

Nasser Gaemi BigDates, ASAM International

Matt Galligan SimpleGeo, SocialThing

Zachary Garbow Funeral Innovations

Jud Gardner Comprehend Systems

Eyal Goldwerger TargetSpot, XMPie, WhenU, GoCargo

Jude Gomila

Heyzap

Jeremy Gordon Department of Behavior and Logic, Secret Level, MagicArts

Steve Greenwood drop.io

James Gross Percolate, Federated Media

Sean Grove Bushido, Inc.

Anupam Gupta Mixpo

Mike Hagan LifeShield, Verticalnet, Nutrisystem

Tony Haile Chartbeat, Chi.mp

Jared Hansen Breezy

Scott Heiferman Meetup, Fotolog

Eva Ho Factual, Navigating Cancer, Applied Semantics

Reid Hoffman LinkedIn, Paypal, Socialnet, Investor in many more, including Facebook, Zynga & GroupOn

Ben Ifeld Macer Media

Jason Jacobs FitnessKeeper

Daniel James Three Rings Design

David Jilk Standing Cloud, eCortex, Xaffire Noah Kagan Appsumo, GetGambit

Jon Karl iovation, ieLogic

Michael Karnjanaprakorn Skillshare

Bryan Kennedy Sincerely.com, AppNinjas, Xobni, Pairwise

Derek Kerton Kerton Group, Telecom Council of Silicon Valley

David Kidder Clickable, SmartRay Network, THINK New Ideas, Net-X

Eric Koger ModCloth

Kitty Kolding elicit, House Party, Jupiter

Brian Krausz GazeHawk

Ryan Lackey HavenCo, Blue Iraq, Cryptoseal

Jeff Lawson Twilio, Nine Star, Stubhub, Versity

Peter Lehrman AxialMarket, Gerson Lehrman Group

Michael Lewis Stellar Semiconductor, Cryptic Studios

Eric Marcoullier OneTrueFan, Gnip, MyBlogLog, IGN

Michael Masnick Floor64 Jordan Mendelson SeatMe, Heavy Electrons, SNOCAP, Web Services Inc

Dwight Merriman DoubleClick, BusinessInsider, Gilt Groupe, 10gen

Scott Milliken MixRank.com

Dave Morgan Simulmedia, TACODA, Real Media

Zac Morris Caffeinated Mind Inc.

Rick Morrison Comprehend Systems

Darren Nix Silver Financial

Jeff Nolan GetSatisfaction, NewsGator, Teqlo, Investor in many more

Tim O'Reilly O'Reilly Media, Safari Books Online, Collabnet, Investor in many more

MIchael Ossareh Heysan

Gagan Palrecha Chirply, Zattoo, Sennari

Scott Petry Authentic8, Postini

Chris Poole 4chan, Canvas

Jon Pospischil PowerSportsStore, AppMentor, FoodTrux, Custora

Jeff Powers Occipital

Scott Rafer

Omniar, Lookery, MyBlogLog, Feedster, Fresher, Fotonation, Torque Systems

Vikas Reddy Occipital

Michael Robertson DAR.fm, mp3tunes.com, Gizmo5, Linspire, mp3.com

Ian Rogers TopSpin, MediaCode, FISTFULAYEN, NullSoft/AOL, Yahoo! Music

Avner Ronen Boxee, Odigo

Zack Rosen ChapterThree, MissionBicycle, GetPantheon

Oliver Roup VigLink

Slava Rubin IndieGoGo

David Rusenko Weebly

Arram Sabeti ZeroCater

Peter Schmidt Midnight Networks, NorthStar Internetworking, Burning Blue Aviation, New England Free Skies Association, Lifting Mind, Analog Devices, Teradyne, Ipanema Technologies, Linear Air

Geoff Schmidt Tuneprint, MixApp, Honeycomb Guide

Sam Shank HotelTonight, DealBase, SideStep, TravelPost

Upendra Shardanand Daylife, The Accelerator Group, Firefly Network

Emmett Shear Justin.tv

Pete Sheinbaum

LinkSmart, DailyCandy, Alexblake.com, Shop.Eonline.com

Chris Shipley Guidewire Group

Adi Sideman Oddcast, Ksolo Karaoke, TargetSpot, YouNow

Chris Sims Agile Learning Labs

Rich Skrenta Blekko, Topix, NewHoo

Bostjan Spetic Zemanta

Joel Spolsky StackExchange, Fog Creek Software

Josh Stansfied Incident Technologies

Mike Tatum Whiskey Media, Listen.com/Rhapsody, CNET

Khoi Vinh Lascaux, NYTimes.com, Behavior Design

Joseph Walla HelloFax

Brian Walsh Castfire, Three Deep

David Weekly PBWorks

Evan Williams Blogger, Twitter, Obvious

Holmes Wilson Worchester LLC, Participatory Culture Foundation

Pierre-R Wolff DataWorks, E-coSearch, AdPassage, Impulse! Buy Network, Kinecta, Impermium, First Virtual Holdings, Revere Data, Tribe Networks

Dennis Yang Infochimps, Floor64, CNET, mySimon

Chris Yeh PBWorks, Ustream, Symphoniq

Kevin Zettler Bushido, Inc.