What's Old Is New Again: How Past Debates Can Ground Current Challenges

Rob Hartwell Venable LLP

Amanda Anderson 4A's

Liz Oesterle Experian



Speakers





Rob Hartwell

Counsel Venable LLP



Liz Oesterle

Senior Vice President Government Affairs Experian



Amanda Anderson

Director, Government Relations 4A's

AI + "Public Data"



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Then

- Publicly available data is traditionally subject to fewer requirements on its use in the United States than non-publicly available data.
- Wiretap and video recording laws distinguish between "private" spaces and "public" spaces.
- 4th Amendment protections distinguish between areas with a "reasonable expectation of privacy" and areas of public access and view.
- Web scraping cases continue to set the boundaries of data collection on the open web.

- New AI systems are <u>trained on a huge corpus</u> drawn from the open web.
- Beyond <u>IP related issues</u>, questions remain about whether AI models should use text and other digital interactions and ephemera for their commercial use.
- How can companies building and using AI think about how "public data" fits in their models?
- What lessons can be applied from similar debates in the past?



Data + Discrimination



Data + Discrimination

Then

- Congress passed a series of laws aimed at combating discrimination in key parts of the economy, including the Civil Rights Act, ECOA, and FHA.
- Courts enforced these laws not only to the decisions about credit or housing, <u>but also to</u> <u>advertising in those markets</u>.
- As new services entered regulated markets, the laws continued to apply.

- New data practices and systems are being used to engage in regulated activity.
- Enforcement <u>agencies continue to police</u> alleged discrimination practices in new arenas.
- <u>Lawmakers</u> and <u>regulators</u> continue to focus on potential discriminatory uses of data, including in last years ADPPA.
- Are the uses of digital data today materially different in outcome from the past?



"Data Brokers" + Third Party Data



"Data Brokers" + Third Party Data



Then

- Credit bureaus since the <u>mid-19th century</u>, but modern "data brokers" take shape in the mid-20th century.
- In 1970 Congress passed the FCRA to regulate "consumer reports" when they are used for specific permitter purposes.
- <u>Congress</u>, the <u>FTC</u>, and <u>GAO</u> all studied "data brokers" a decade ago assessing potential gaps in regulation and possible harms to consumers.

- Congress <u>held a hearing</u> to discuss "data brokers" just the other week and the <u>CFPB has a current</u> <u>RFC</u> open regarding the industry.
- Several states have <u>data broker registries</u>, aiming to bring transparency to the industry.
- <u>Studies show</u> that third party data, provided by "data brokers" continue to fuel efficient markets, increase competition, a lower prices for consumers.
- Given the consistent focus "data brokers" have received since the 1970s, how has the industry responded to continues change?

Targeted Advertising



Targeted Advertising



Then

- <u>LL Bean pioneered</u> targeted advertising in 1911 by mailing flyers to out-of-state hunting license holders.
- In 2009 the <u>FTC issued a report</u> calling for selfregulation of data-driven online targeted advertising.
- The <u>Supreme Court</u> upheld the 1st Amendment speech rights of data-driven marketing.
- Industry groups have promulgated, enforced, and updated various <u>self-regulatory programs</u>, including consumer opt-out tools.

- "Targeted advertising" is central to ongoing discussions regarding kids and teen online engagement, including at the <u>State of the Union</u>.
- Every state privacy law has addressed targeted advertising, requiring opt-out rights for residents.
- <u>Studies show</u> that data-driven advertising deliver value to consumers and the marketplace.
- The types and amount of data used for modern advertising has changed, has the fundamental use of that data materially changed?

Questions & Contacts





Rob Hartwell

Counsel Venable LLP



Liz Oesterle

Senior Vice President Government Affairs Experian



Amanda Anderson

Director, Government Relations 4A's