

## The NetChoice Coalition

*Promoting Convenience, Choice, and Commerce on The Net*

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November 13, 2012

Senator Jack Johnson  
Chairman, Study Committee for Fairness and Ticketing Act  
Tennessee General Assembly  
32 Legislative Plaza  
Nashville, TN 37243

Subject: SB 3441, *Limiting Consumer Choice and Opportunity for Event Tickets*

Dear Chairman Johnson:

The NetChoice coalition opposes several aspects of SB 3441 as they allow entertainment venues to prevent ticket resale and gifting, and because they make criminal the automated addressing that occurs today on search engines and websites.

### **Would Allow TicketMaster's Paperless Ticket System to Deny the Resale or Gifting of Tickets**

Although not apparent, Section 62-45-107(2) would allow the imposition of new restrictions and fees on Tennessee ticket buyers, by allowing venues to use "any ticketing method for the initial sale."

TicketMaster's "paperless tickets" are the likely beneficiary of this provision. When event tickets are issued as "paperless tickets" they require extra convenience fees and impose inconvenient restrictions on subsequent resale and gifting of event tickets.

For a ticket holder to use TicketMaster's paperless tickets, they must present the credit card used to buy the ticket as well as a government-issued identification card for the person who bought the ticket. This means that an uncle could not just give his niece a concert ticket, or give his nephew a seat at the stadium. Instead, the uncle would need to pay another convenience fee for TicketMaster to "transfer" the tickets. Otherwise, he has to accompany his niece and nephew to the door of the concert hall and stadium gate. And the same is true for firms who use event tickets to entertain current and prospective clients.

In the 20 years since Tennessee allowed open markets for ticket resale, consumers have enjoyed greater choice and opportunity to buy and sell tickets to their favorite events. The rise of online ticket exchanges has brought more competition, safety, and convenience to sports and music fans. But Section 62-45-107(2) would allow venues and TicketMaster to revoke this choice and convenience for Tennessee sports and concert fans.

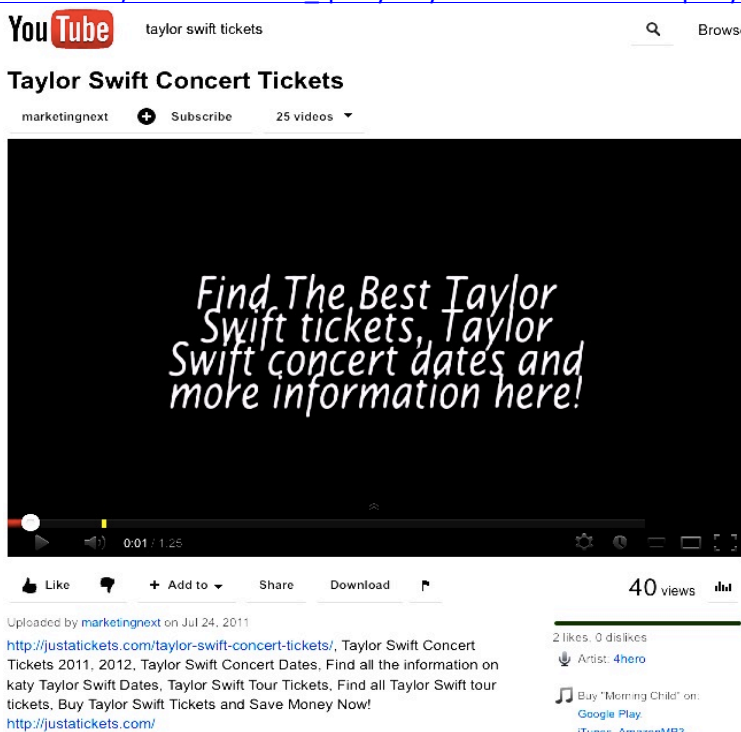
### **Unintended Consequences for Search Engines and Websites**

Section 62-45-106(c) makes it a crime to do something that search engines and web marketplaces do every day: use trademarked terms in page addresses for content related to ticket resale -- without obtaining written consent of the trademark owner. Under this section, Tennessee would make it a crime for online portals and search engines that fail to get permission from trademark owners, just for responding to user inquiries like this:

A Google search for "tennessee titans tickets" generates a URL that includes the trademarked term "Tennessee Titans": [http://www.google.com/search...=tennessee%20titans&oq=tickets%](http://www.google.com/search...=tennessee%20titans&oq=tickets%20)

And this bill could make it a crime for YouTube to respond to a user search for "Taylor Swift tickets." In the example screen below, YouTube's software replied by generating a URL that includes "taylor swift" and search results include ticket resale links:

[http://www.youtube.com/results?search\\_query=taylor+swift+tickets&oq=taylor+swift+tickets](http://www.youtube.com/results?search_query=taylor+swift+tickets&oq=taylor+swift+tickets)



I'm sure that this is not what the bill's author originally intended.

The Internet has brought accountability and transparency to online consumers buying and selling event tickets in Tennessee. But several aspects of SB 3441 would take Tennessee in the wrong direction, regulating upstream against a nationwide current of liberalizing markets that benefit and protect consumers.

Thank you for considering our views, and please let me know if I can provide further information for your deliberations on this important issue.

Sincerely,

Steve DelBianco  
Executive Director, NetChoice

cc: Joint Committee Members

*NetChoice is a coalition of trade associations and e-Commerce businesses who share the goal of promoting convenience, choice and commerce on the Net. More information about NetChoice can be found at [www.netchoice.org](http://www.netchoice.org).*