



The Honorable Edward Markey
The Honorable Joseph Barton
2108 Rayburn House Office Building
Washington, DC 20515

August 25, 2010

Dear Reps. Markey and Barton:

Attached are Photobucket Corporation's responses to the questions posed in your August 5, 2010 letter concerning Photobucket's consumer data collection and use practices. Photobucket takes the privacy of its users seriously. We continuously strive to review our privacy policies and communicate clearly with our users about our privacy practices.

We appreciate the efforts of the House Bi-Partisan Privacy Caucus regarding this important issue. Please contact us if you have any questions about the attached responses.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Munro".

Tom Munro
President
Photobucket Corporation

Photobucket.com
Detailed Responses to Request for Information dated August 5, 2010

1. What specific information about consumers does your company collect, either through your own website or through business relationships with third parties?

Photobucket collects a limited range of personally identifiable information from consumers through its website. To register an account with Photobucket, a user must enter the following information:

- Photobucket username (which does not have to be the user's real name);
- Password;
- Email address;
- Gender; and
- Date of Birth.

During the registration process, Photobucket systems attempt to determine the user's country and/or Zip code via the user's IP address. If the system is unable to identify that information, the user will be prompted to enter his or her country and Zip code information as part of the registration process. Once the user has registered for a Photobucket account and has signed in to the website, they have the option, but are not required, to enter the following information:

- First and last name;
- Education;
- Cell phone number; and
- Descriptive titles, tags or comments corresponding to photos or albums the user has uploaded to the site.

For users that have chosen to upgrade to the paid Photobucket Pro service, we also store the user's payment history, including the amount and date of each payment and the payment method (e.g., MasterCard, Visa, American Express, PayPal, or check), but we do not store any credit card, PayPal, or other financial account information for the user.

In addition to information collected via user input, Photobucket also uses cookies and similar technologies to collect and store various types of non-personal information about how users interact with the Photobucket site, including:

- The user's IP address;
- The user's registration method (e.g., directly on the Photobucket website or through the Photobucket API integrated into a third party site);
- The website the user came from before accessing the Photobucket website;
- The user's activity on the Photobucket website;
- The type of camera used to take any pictures the user uploads to the Photobucket website;
- and

- The domains where the user has posted links to pictures hosted on the Photobucket website.

Photobucket does not collect information about users from third parties.

2. If you have business relationships with third parties please list the names of those third parties, including analytics firms.

Photobucket has business relationships with several different types of third party businesses that support its provision of its consumer-facing website, including the following:

- Analytics firms (e.g., Google Analytics);
- Advertising networks (e.g., Advertising.com, Casale Media, Pointroll);
- Media agencies that handle specific brand promotions (e.g., Deutsch, Inc., Digitas);
- Vendors that perform SPAM filtering (e.g., Postini);
- Vendors that perform certain content filtering functions (e.g., Audible Magic, which performs automated scans of uploaded content to block certain copyrighted audio and video files);
- Advertising Products/Server (e.g, Microsoft, AI Match);
- Vendors that help us collect and evaluate user feedback (e.g., UserVoice); and
- Third party websites that allow users to customize and print photos and videos, e.g., Kodak (printing), Scrapblog (an online scrapbooking site), Scenecaster (an application for creating 3D videos), and FotoFlexer (an online photo editing application)).

3. How does your company collect consumer information (e.g., direct consumer input, cookies, beacons, Flash cookies, other surveillance technologies)?

Photobucket uses the following methods to collect consumer information:

- Direct consumer input via the Photobucket website and/or Photobucket API;
- Cookies. If the user permits cookies and does not delete them, a cookie is placed on the user's computer during their first visit to Photobucket and accessed on subsequent visits;
- Flash cookies, which are used to store user preferences; and
- Web beacons, which are used to collect analytics data and to target advertisements.

4. How does your company use the information it collects, both directly or through third parties, if applicable?

Photobucket does not collect information about users from third parties. Photobucket uses information it collects directly from users to enhance and customize the user's experience, to support their stated preferences, and to serve relevant targeted advertising, including as follows:

- Using information about user preferences stored in Photobucket cookies (including Flash cookies) to present site content, sharing settings, preferences regarding the site volume and appearance settings, and other content consistent with the user's stated preference;

- Using information to tailor the user’s experience based on their preferences and their past activity on the Photobucket website. For example, if user A views user B’s photo album, Photobucket might display a recommendation for user A to “follow” user B so user A will receive automated notifications when user B uploads new pictures in the future;
- Using non-personally identifiable user demographic information and site activity (without any unique Photobucket identifier associated with that user) to serve targeted advertisements to users, or passing that information to advertising networks to enable them to better serve relevant ads. For example, Photobucket may opt to display advertisements for Canon camera accessories to users who have uploaded photos taken with Canon cameras; and
- Using domain linking data to serve targeted promotional units. For example, if Photobucket knows that a user has shared their photos to Facebook, the user may be served promotional units that encourage the user to download the Photobucket Facebook application.

5. Does your posted privacy policy fully explain these data collection and use practices?

Photobucket’s posted Privacy Policy (available at www.photobucket.com/privacyPolicy) explains the information collection and use practices identified above. The first section of the Policy describes the types of information users must provide in order to create an account, as well as the types of information that users may provide if they choose to further customize their Photobucket account. The Policy further explains that Photobucket may share user information with third parties with which we have contracted to provide services to our users, such as quality assurance, sales analyses, business services, processing payments, and fulfilling user photo orders. Finally, we also state that Photobucket may share some anonymous, aggregated information with advertisers and other third parties so they can appropriately tailor advertisements and other communications.

The Policy also describes how Photobucket uses its own cookies, session IDs, and pixel tags to perform internal business analyses and tailor the Photobucket website to the user’s preferences and interests, as well as how certain third parties may use similar technologies to customize the site content and advertising according to user preferences. We also describe how users may choose to block cookies through their Internet browser, and warn them that blocking cookies may interfere with some of the Photobucket services.

6. Does your posted privacy policy identify for consumers all affiliated and unaffiliated entities with which you share or provide access to consumer data, whether through direct disclosure, cookies, or some other means?

As stated above, our Privacy Policy explains that Photobucket may share user information with third parties with which we have contracted to provide certain services to our users, but that Photobucket does not share any personally identifiable information with third parties for their own use. Accordingly, though the Policy does not list every specific affiliate or third party with whom data is shared, it informs users of the types of entities to which data is disclosed and the purposes for such disclosures.

7. Does your company sell or otherwise monetize the information it collects? a. If yes, to which companies does it sell or otherwise disclose the personal information it collects? b. What were the revenues associated with this sale or monetization for the last 12 months, or the most recent year for which your firm has such data?

Photobucket does not sell any consumer information to any third party. To the extent that a portion of Photobucket's revenue is derived from the placement of advertisements on our site, and the self-expressed demographic data provided by Photobucket users that enables the serving of targeted advertisements is attractive to advertisers, then arguably Photobucket "monetizes" the information it collects. Photobucket cannot, however, meaningfully correlate advertising revenue to the collection of information.

8. Is your company aware of all third-party tracking devices that may be installed on a user's computer when the user visits your site? a. If yes, what evaluations does your company perform to discover such devices? If no, why not? b. What actions does your company take upon discovery of a previously unknown third party tracking device?

Photobucket contracts with multiple third parties, including advertising networks, analytic firms, and other third party service providers, to perform services on our website (as discussed in our answer to question 2 above). This is a standard practice in the online industry. As we disclose in our Privacy Policy, Photobucket is generally aware that these third parties may place their own cookies on a user's computer when the user visits our website. We are also specifically aware that Google Analytics, ComScore, and SharedResults place cookies on our users' computers in order to provide Photobucket with analytic data about the use of our website. We do not, however, perform specific evaluations to identify all third party tracking devices that third parties may place on users' computers when they visit the Photobucket website.

9. Does your company serve different pages, content, or advertisements to visitors, based on information derived from tracking devices? If yes, please explain.

As we explained above, we use certain limited types of information stored in cookies to display different content, suggestions, and advertisements to users that visit our website. For example, if Photobucket identifies that a non-registered visitor to the site accessed Photobucket via a particular social networking site, we might choose to display current promotions involving that site.

10. Does your company target individuals based on their health or financial status?

No, Photobucket does not target individuals based on health or financial status.

11. Are there any user search or use habits that your company will not use for targeting purposes or tracking? If yes, what are they?

We limit our data collection to a small selection of use and search data that we use only to present content and suggestions that we feel may be of interest to our users. For example, as we

stated previously, when User A views User B's photo albums, we may suggest that User A follow User B so they receive updates whenever User B updates his or her photo albums. The only user search data we use for targeting are the keywords users enter on the Photobucket search box, which we may use to present targeted advertisements to the user along with search results. Photobucket does not track or use for targeting purposes any other search data, including the quantity or frequency of searches or any further activity by the user after the search is performed.

12. Has your company conducted a legal analysis of the applicability of communications and consumer privacy laws to the targeting and/or tracking practices utilized by your firm? If yes, please explain what this analysis concluded.

Photobucket consults with in-house and outside counsel on the privacy and related issues raised in this letter.

13. If your company tracks or targets visitors, how does it notify visitors to your company's site of this practice? If it does not provide notification, why not?

We notify our users of our practices via our Privacy Policy.

14. If a user does not want to be tracked or targeted upon visiting your site, how would the user effectuate this preference?

As we state in our current Privacy Policy, users may disable cookies using their browser settings. We also include a link to the Network Advertising Initiative's website, where users may opt-out of receiving targeted advertising from many of the online advertising networks with which Photobucket contracts to deliver advertisements on our website.

15. Please explain whether your company provides the ability of consumers to "opt-in" to the use of these practices or "opt-out," including whether they have an option to prevent both the collection and use of their data. If your company provides the opportunity to opt-out, how many visitors have chosen this option according to your company's most recent data?

When a user registers for a Photobucket account, they are given the chance to opt-in in the sense that they must decide whether to provide us with certain limited information (e.g., username, password, email address, gender, birthdate, and, in some cases, country and zip code) in order to establish a user account. The Photobucket Privacy Policy also clearly states that we will use cookies and other technologies to collect limited amounts of information about how the user uses the website in order to deliver customized content and advertisements. If a user does not want Photobucket to collect and use data about their use of the site, they may choose not to register and/or choose not to visit the Photobucket website.

Users are not required to enter any information on our website other than that requested during the registration process. Any other information a user chooses to enter on the Photobucket website (e.g., first and last name, education, cell phone number, metadata and descriptions

relating to photos uploaded on the website, and payment information for premium subscribers) is completely at his or her discretion.

As previously stated, the Photobucket Privacy Policy also contains a link to the Network Advertising Initiative's website, where users may opt-out of receiving targeted advertising from many of the online advertising networks with which Photobucket contracts to deliver advertisements on our website. Likewise, Photobucket may also send users emails that contain offers from certain third party partners. Users have the ability to opt-out from receiving those emails by clicking the unsubscribe link contained in each of those emails.