



**ICOMP**

INITIATIVE FOR A  
COMPETITIVE ONLINE  
MARKETPLACE

# **IMPERATIVES** FOR A HEALTHY, SECURE AND COMPETITIVE INTERNET

## Preamble

The Internet has thrived through a combination of innovation and compelling creative content. If the Internet is to continue to grow in ways that empower users and build sustainable businesses, fundamental imperatives such as openness and transparency must be respected. Rules on competition, privacy, intellectual property rights and data security should be applied to the online economy just as they are to the 'bricks and mortar' economy.

ICOMP is committed to advocating principles that promote online commerce. As part of that effort, it has drawn up the imperatives outlined below as the necessary pre-conditions for a healthy and competitive Internet. ICOMP believes that all stakeholders need to contribute to ensuring a more inclusive and effective approach to addressing the key issues facing the digital world. We seek to foster a healthy debate on how best to implement these imperatives in practice.

## ICOMP believes that all stakeholders in the online marketplace should:

### 1. Promote robust competition in online markets

- Competition is the driving force behind online innovation
- Regulators must apply competition laws in key online markets
- No company should be allowed to abuse its dominant position

Robust competition in online markets brings benefits to both consumers and businesses. It is the driving force behind online innovation and new content, as well as choice and low prices. All stakeholders should support policies that promote a vibrant and competitive online economy. Regulators should apply existing competition laws in key online markets, including search and search advertising as well as other forms of online advertising, without overlooking the non-price aspects of competition such as protection of data security and consumer privacy. They should also ensure that no company is allowed to abuse a dominant position by harming its competitors or by seeking to gain an unfair advantage in related markets.

### 2. Promote a functioning internal market for e-commerce

- E-commerce is the vital force of the Internet
- Stakeholders must cooperate to overcome remaining barriers
- Regulators must take into account the borderless nature of e-commerce

E-commerce is the vital force of the Internet. Stakeholders must cooperate to identify and address the remaining barriers to the functioning of cross-border e-commerce in the EU internal market. In order for e-commerce to reach its full potential, regulators must take into account its borderless nature when scrutinising developments in the online world and assessing the impact of consumer protection legislation. To promote consumer trust, all stakeholders should work to combat online counterfeits and fraud and to encourage respect for trademarks online.

### 3. Protect, adapt and enforce intellectual property rights

- The rights of authors need to be respected
- IP rules must keep up with technological advances
- Governments must support the enforcement of IPR laws

Authors, publishers, broadcasters and artists invest enormous resources in creating compelling online content. Effective IPR enforcement is an essential precondition to the creation of online content because it ensures that creators can capture the commercial value of their efforts as well as helping to protect cultural diversity. At the same time, the Internet offers new and exciting possibilities for access to content and for users to generate their own content. All stakeholders must respect the rights of content creators while encouraging investments in innovation and the emergence of legitimate, sustainable online business models. The legitimate interests of users also need to be accommodated. Businesses and regulators must ensure that IP safeguards keep pace with technological advances as well as with changing patterns of content creation. All stakeholders should cooperate in fighting against Internet piracy.

### 4. Support transparent business practices in key online markets

- Business practices in key online markets should be open and transparent
- Deceptive or unfair practices harm the entire Internet ecosystem
- Market leaders in key online markets should acknowledge their special responsibilities

The growth of the Internet has enabled users to enjoy a wealth of information that had previously been unavailable or difficult to access. In order for the Internet to reach its full potential, stakeholders must encourage firms involved in online advertising and related activities to adopt business practices that are open and transparent. Non-transparent practices that limit or distort access to information, prevent competition, deceive users or keep them uninformed are particularly harmful and put the entire Internet ecosystem at risk. Firms that hold very high shares of online markets must acknowledge their special responsibilities in this regard and must ensure that their practices are transparent.

## 5. Find the right balance between regulation and self-regulation

- Best practices should drive the development of innovative business models
- Regulatory frameworks must be flexible and adapted to online developments
- Market players must behave responsibly, ensuring that regulation can be kept to a minimum

A healthy and competitive environment for online commerce relies on the ability of businesses to respond swiftly to consumers' needs. It also relies on the development of best practices and cross-industry support for high standards in Internet behaviour. The best way to achieve high standards and best practices is by finding the right balance between self-regulation on the one hand and public regulation on the other. Getting this balance right depends on dialogue, on industry commitment to responsible behaviour and on informed regulators working for flexible solutions that encourage innovation and robust competition.

## 6. Build trust online

- Consumer privacy must be respected online as well as offline
- Collection, storage and use of personal data must be lawful and secure so as to promote trust
- Public-private collaboration is essential to ensure integrity and reliability of communication networks

Many online activities involve the collection and processing of user data. Users will only be willing to provide such data if they trust it will be handled securely, will only be used for the stated purposes and will be stored for no longer than necessary. High levels of trust can be achieved only if users are informed about privacy practices and data security safeguards, and have the ability to freely switch among service providers if they wish. Cyber-security is essential to maintaining the integrity and reliability of networks that are the lifeblood of modern business and government. There should be a strong public-private collaboration to ensure a safe and modern infrastructure. A legislative framework is needed that is flexible enough to allow for rapid technological developments yet robust enough to provide the necessary guarantees. All stakeholders should support competition to ensure that market pressures give rise to ever better levels of security and privacy.

## 7. Promote broadband deployment and digital literacy

- The Internet must be accessible for all
- All stakeholders should promote digital literacy
- Encourage widespread introduction of broadband Internet access, especially for underserved populations and geographies

Access to information and communication technologies is a basic need in modern society. The Internet must be accessible for all to prevent a digital divide. All stakeholders should combine their efforts in encouraging digital literacy and developing an inclusive information society. Public and private actors must work together to ensure a widespread introduction of high-speed Internet and the deployment of next-generation networks, including to underserved populations and geographies.

## 8. Support interoperability and user choice

- The Internet is symbolic of expanding openness, user choice and interoperability
- Companies should work collaboratively to foster continuing improvements in online interoperability and data portability consistent with sustainable business models, protection of intellectual property, and users' and creators' control of their own data and content
- Governments should support such market-led efforts while refraining from mandating specific technologies or solutions

To safeguard online competition and choice, advertisers, publishers and consumers should have the freedom to use whatever online services best meet their needs. Interoperability between online services, as well as the ability to port and re-use data across services, can help foster such competition and choice. At the same time, content creators and publishers should be encouraged to pursue various business models online to build sustainable businesses and to meet consumer needs. All Internet stakeholders – and especially market leaders – should work collaboratively on voluntary, market-led efforts to promote online interoperability and data portability. Governments should support these efforts, as well as the continuing evolution of standards and other means to help enable interoperability, while refraining from imposing the use of specific products, technologies, standards or solutions.

## About ICOMP

ICOMP, the Initiative for a Competitive Online Marketplace, is an industry initiative for businesses and organisations involved in Internet commerce. Its overall objective is the sustainable growth of the Internet and key goals are to encourage competition, transparency, data privacy and respect for intellectual property protection as well as the adoption of best practices to promote creativity, innovation, safety and trust.

As an organisation concerned with the Internet, ICOMP brings together companies operating in the online marketplace across content, infrastructure and services sectors to identify and promote best practices. ICOMP helps to educate and inform stakeholders and decision-makers on how the online marketplace functions and the challenges being faced by those who operate within it.

Over 50 companies, trade associations, consumer organisations and individuals are members of ICOMP and have endorsed ICOMP's principles. These members represent 14 countries across Europe, North America and the Middle East.

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