OpenRTB® Clearinghouse

Value Proposition

WHITE PAPER

We are not in a quest to reinvent the wheel……. we are the ones that invented it!

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II.   OVERVIEW

Price Setter LLC's OpenRTB® Clearinghouse value proposition is intended to maximize user privacy, minimize fraud, maximize efficiency, maximize publisher monetization, maximize advertiser ROI, and minimize transaction latency in the management of Real-Time Bidding® (RTB) supply chain.

With the cooperation and consolidation of digital advertising supply and demand side participants and the implementation of a clearinghouse platform comprising a master RTB database, advertisers will be able to store and maintain bidding data and bidding functions via their partner DSP's and/or Agency at a principal, unbiased and secure location and be able to participate in single consolidated, streamlined and more secure auctions where all participant advertisers will be able to compete simultaneously instead of what otherwise would be multiple segregated auctions.

The various supply and demand side participants members of the Interactive Advertising Bureau (IAB) would be able to integrate with the OpenRTB® Clearinghouse's master RTB database via distributed master database clones. By merging existing supply and demand participants at a consolidated clearinghouse via a master database, both sides of the supply chain will have equal opportunity to share and exchange bidding information of millions of advertisers and still be able to run transactions based on each participant's specialized technology, and better yet keeping user privacy safe. DSP's will be able to continue using their partner SDK's and at the same time be able to integrate with an OpenRTB® Clearinghouse's SDK.

The most important value of this proposition is that by its nature there can only be one consolidated clearinghouse and a corresponding master RTB database; the fact that Price Setter LLC owns the only patents

on the field, by default is the most indicated party to initiate, conduct and manage this initiative.

III.   EXECUTIVE SUMMARY

Price Setter LLC is the sole owner of patent No. 9,892,445 and other patents and patents pending retroactive to the year 2005.

Claims 15–37 of this patent cover mobile Real-time Bidding®.

Patent No. 9,892,445 is a Standard Essential Patent (SEP) that covers the Interactive Advertising Bureau (IAB) standards (See Price Setter LLC claim chart for claims 15-37 here)

Several entities claim having invented Real-time Bidding®, one of them claiming to have invented the first ad exchange in 2004 and being the first to launch RTB in 2008 (see full story here) however their patent application No 11/006,121 named "METHOD AND SYSTEM FOR PRICING ELECTRONIC ADVERTISEMENTS" which was first published in 06/08/2006 was abandoned by the applicant in 05/01/2017 after failing to overcome Patent Office rejections.

Another one is the inventor of patent No. 9,886,718 named "AUCTION FOR EACH INDIVIDUAL AD IMPRESSION" which was originally filed with the United States Patent and Trademark Office in Dec. 19, 2006 and issued as a patent in Feb. 6, 2018. See the full story here. However, the founders of Price Setter LLC. filed a patent application more than a year earlier in July 27, 2005 now patent No. 8,533,097 named TRANSACTION ARBITER SYSTEM AND METHOD and continuation patent No. 9,892,445 covering mobile RTB and various derivative technologies.

Learn important things about patents here.

Notwithstanding the efforts of the Interactive Advertising Bureau (IAB) and many of the RTB supply chain participants, not enough has been done regarding some lingering supply chain deficiencies.

Unfair competition among advertisers due to unrealistic response timeout restrictions and/or preferential treatment to some DSP's by some Ad Exchanges.

The term Real-Time Bidding® or RTB does not always apply in the management of the digital advertising eco system specially with programmatic bidding and header bidding, as some ads are not actually served in "Real-Time" but instead in "Near Real-Time".

 If a system has fully predictive latency (delay) and that predictive latency is met all the time then the system is "Real-Time", If it does not then it is not. Many "Real-Time" advertising participants claim that their ads are served in a "blink of an eye". If a digital advertising participant claims that their ads are served in 10 milli seconds but it actually takes 11 milli seconds to serve the ad then it is not "Real-Time". Real-time means "controlled latency". A system is not "Real-Time" unless the predictive latency can be met all the time and verified at any time.
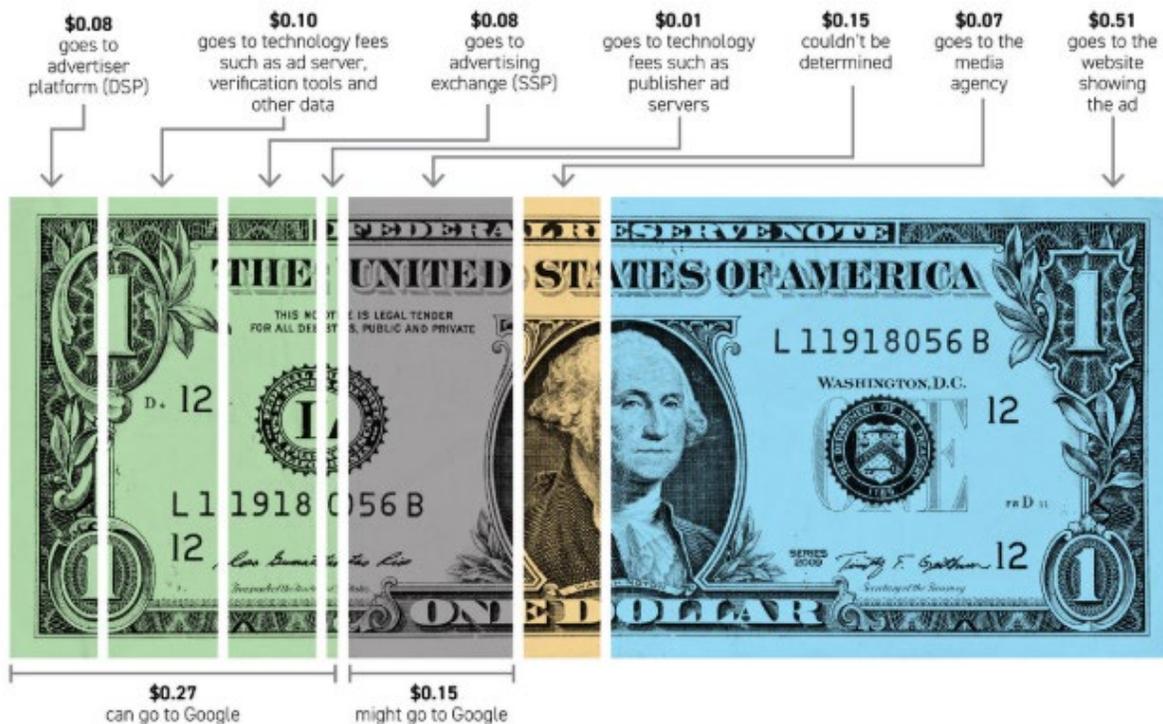
Some SSP's have timeout restrictions around 10 milli seconds meaning that DSP's and/or Ad Exchanges need to respond within that time. These time out restrictions often leave some of the demand side participants using programmatic bidding out of the equation due to waterfalls. Under the Header bidding, Ad Managers or Mediation Platforms methodologies most of the ads are served in near real-time as timeouts cannot be bound due to pre-bidding and simultaneous auctions delays.

 Go to this link to learn about how some Ad Exchanges give preferential treatment to some DSP's (advance to 10:20) https://www.youtube.com/watch?v=cQAuPL2QDhI

Price Setter's aim is to reduce latency by conducting each consolidated auction under the control of the master database where all otherwise segregated advertisers and their individual bids will have the same opportunity to participate simultaneously in a single true and fair "real-time" auction.

Inadequate accountability

Not enough is being done regarding accountability about where does the ad dollar go to, which is the direct result of the existing decentralized supply chain. App developers and websites are only receiving +/- 51% of every dollar spent on ads.

| $0.08 goes to advertiser platform (DSP) | $0.10 goes to technology fees such as ad server, verification tools and other data | $0.08 goes to advertising exchange (SSP) | $0.01 goes to technology fees such as publisher ad servers | $0.15 couldn't be determined | $0.07 goes to the media agency | $0.51 goes to the website showing the ad |

$0.27 can go to Google $0.15 might go to Google

SOURCE: ISBA Programmatic Supply Chain Transparency Study, May 2020

The dysfunction obviously is created by the inability to control or monitor where the ads come from and where the ad dollar goes to or to verify or certify the websites and apps where the ads are displayed. There are just too many intermediaries that only care about their own interests and not those of the publishers and advertisers who are the

ones that give life to the ecosystem. No matter how hard new technologies try to cure or patch up some of the dysfunction, as long as advertisers, publishers and the intermediaries that control them are decentralized, the bad ads, the flow of the ad dollar and ad fraud will continue to go unchecked.

Today, advertisers may deal with more than 20 intermediaries— agencies, demand side platforms (DSPs), ad exchanges, data management platforms, and supply-side platforms (SSPs). There is no clear way to calculate exactly how the ad dollar is distributed as all intermediaries are independent from each other.

By allowing only intermediaries who obtain a patent license from Price Setter LLC (Standard Essential Patent License) to store and manage advertiser's bidding parameters in the OpenRTB® Clearinghouse and its master RTB database, redundant intermediaries and their commissions can and will be eliminated.

Compromise of User's data

Many supply chain participants collect and share user's data during their transaction, many times that data falls in to the wrong hands. The OpenRTB® Clearinghouse will also serve as a firewall to protect user privacy and avoid the proliferation of their personal data by implementing Price Setter's LLC proprietary technology and the use of customized user ID's only recognizable by the OpenRTB® clearinghouse.

No user data is to go past that firewall thus starving and ultimately eliminating bad actors that pry on user's data.

Click fraud

Technology companies are constantly developing new click fraud deterrence methodologies but until now have failed to eradicate the bad actors for good.

The OpenRTB® Clearinghouse will facilitate the incorporation, and implementation of customized technology aimed to eliminate click fraud.

V. THE SOLUTIONS

The OpenRTB® Clearinghouse and its master database in coordination with the Federal Trade Commission (FTC) would be deploying technology to eradicate user data theft and ad fraud, simultaneously it will resolve the impending elimination of third-party cookies by facilitating the incorporation of new technology compatible only with the Clearinghouse. With this new technology and Price Setter's method of eliminating some intermediaries and their commissions, a streamlined user safe and ad fraud free environment from which all participants will benefit will emerge.

The OpenRTB® Clearinghouse, a master database and a consolidated protocol built upon IAB's standards and FTC regulations for all stake holders to adhere to.

Creative management and a consolidated OpenRTB® Clearinghouse are an approach that brings coherence to the complexity and fragmentation that now characterizes the flow of advertising dollars, compromise of user data, fraud and supply chain inefficiency. Specifically, a consolidated, streamlined platform refers to the process of aligning and implementing mechanisms to deliver a consistent, seamless, add-dollar and user privacy centric experience and efficiency across all supply chain channels.

The solution lies in the key shift from a culture of overcrowded and outlawed competition to a culture of collaboration and compliance. With decreased outlawed competition comes increased collaboration, and with increased collaboration comes increased organizational consolidation. Now, do not take this wrong, competition is the game here, but the existing supply chain methodology is helping outlawed competing intermediaries and hurting competing advertisers and

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publishers who are the ones that make the digital ad ecosystem exist. So, the plan is to promote competition in a safe and orderly manner with the unification of all advertisers through the OpenRTB® Clearinghouse via a shared master Real-time Bidding℠ database where all advertisers will deposit and store their bidding data.

Five milestones for building a streamlined and consolidated system.

1. ASSEMBLE A CROSS-FUNCTIONAL TEAM TASKED WITH CONSOLIDATING THE PLATFORM.

Assemble a team of advisors to be selected from existing tech companies and associations, and an engagement and development team to liaise with relevant agencies, associations and the Federal Trade Commission (FTC) for the development of regulations.

2. CONDUCT A SWOT ANALYSIS.

Identify internal strengths and weaknesses, as well as external opportunities and threats.

At this stage, the idea is to uncover key issues and challenges across the supply chain and stakeholders in order to get on the same page. It's especially important to identify bad actors and other barriers to collaboration.

3. PROCEED WITH COLLABORATIVE PLANNING THAT'S GUIDED BY A UNIFYING BIG IDEA.

Collaborative planning needs to be guided by a big idea that serves the best interests of all participants. First, this big idea should center around sharing ideas and concerns of all participants. Second, it should be ambitious, purposeful, and aligned with the best quality and values. Last, it should inspire a range of win-win solutions for all stake holders.

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4. IMPLEMENT HOLISTIC WORKFLOWS TO PROVIDE THE CROSS-FUNCTIONAL TRANSPARENCY AND CLARITY TO ACCELERATE A HIGH QUALITY AND COORDINATED EXECUTION.

Every piece of the puzzle needs to have its own distinct yet clearly interlinked workflow in the execution process. This includes everything from ideation to sign-off and approval to compliance review and so on.

5. SUPPORTING THE EFFORTS WITH AN INTEGRATED TECHNOLOGY STACK.

Technology is a major force in enhancing the coordination needed to overcome deficiencies and achieve high levels of collaboration. The collaboration of partner tech companies and the integration of their technology is a win-win for all.

Price Setter LLC is presently looking for investors and partnering platforms on both sides of the supply chain to coordinate, develop and manage the foundation of this initiative.

Contact us at info@pricesetter.net

VI. GENERAL COMPANY DESCRIPTION

Research and development of Price Setter was first started in early 2003 by founders; At that time the mobile Real-Time Bidding® concept was ahead of its time as technology did not allow for bidding transactions to take place over cellular communication networks in real-time.

Price Setter's founders own all of the rights to the following patents:

Patent No. 8,533,097 (the "parent patent)

Continuation patent No. 8,655,771 covers RTB shopping applications, digital coupons, digital wallets, digital shopping lists, geo targeting, geo-fencing and others.

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Continuation patent No. 9,892,445 claims 15 to 37 cover all mobile applications that display digital advertisements generated via "Real Time Bidding", "Programmatic" , "Header Bidding", "Ad Managers", "Mediation Platforms" and several other bidding methodologies which are used by DSP's and ad Exchanges and by millions of third party mobile applications and mobile websites displaying digital ads. None of them hold a patent for Real-Time Bidding® retroactive to 2005.

Under claims 1 to 14 the same patent No. 9,892,445 also covers existing repricing mechanisms and shopping applications. Again, none of them hold a patent retroactive to 2005.

Continuation Patent No. 10,019,745 claim 1, covers an improved and scalable system to implement a wide range of mobile software applications (RTB applications) at remote points of activity in real-time or near real-time over a high-speed networking and communication system, comprising systems, methods and devices relative to cellular communication networks services such as 4G LTE and 5G. None of them hold a patent retroactive to 2005.

Continuation Patent No. 10,360,608 which was issued on 7/23/2019 covers smart phones and tablets. Other non-published applications cover Operating systems and other continuations to RTB.

Continuation application 16/375,390 covers mobile device Operating Systems.

Founders have taken the time to wait until the entire patent portfolio is complete so the different patents can supplement each other, and better yet the patenting process remains open for additional patent continuations and/or amendments.

Price Setter, LLC was formed in the state of Texas as a small business corporation on 03/23/2015

On 11/03/2015 the Trademark Price Setter® was registered by founders.

On 02/04/2020 the Trademark OpenRTB® was registered by founders.

On 06/23/2020 the trademark Real-time bidding® was registered by founders.

At the present time Price Setter team is formed only by founders/inventors Jorge A. Maass Sr. and Jorge Maass Jr.

Patent Attorneys involved in the patent prosecution included Fish and Richardson PC, and Howison & Arnott, LLP.

It is Price Setter LLC intention to form partnerships with existing SSP's/SDK's, DSP's, ad tech firms and advertising agencies to form a unified technical team. It is not Price Setter intention to invest on infrastructure and data centers which can be provided by partners who already have those assets or by contracting third parties.

Price Setter LLC will provide to members of the IAB Fair, Reasonable and Non-Discriminatory (FRAND) assurance, committing to providing access to patents that are and/or may become essential to the implementation of the IAB Standards.

VII. PRODUCTS AND SERVICES

The Products and Services to be provided by Price Setter LLC include but are not limited to:

Act as a clearinghouse between publishers and advertisers seeking to manage and ensure that the process from trade inception to settlement is smooth. Its main role will be to make certain that advertisers and publishers honor their obligations. Responsibilities include management of settling trading accounts, management of clearing trades, management of collecting and distributing margin monies, managing delivery of the ads, management of trading data reports and networking management.

Issuance of Standard Essential Patent (SEP) licenses to all members of the IAB on a FRAND basis (learn about FRAND here and here). Only licensed entities will be able to participate in the new Transaction Arbitration Platform and interact with other licensees.

To develop and deploy with the cooperation of IAB members a unified system to serve as a venue to manage and conduct all real-time bidding℠ transactions.

To coordinate with the Federal Trade Commission (FTC) in the development and implementation of regulations.

To implement Price Setter's proprietary user data privacy mechanism to deal with the impending deprecation of third-party cookies.

To develop and deploy a mechanism to verify and/or certify the websites and apps where the ads are displayed using SSL certificates.

Proposed OpenRTB® Clearinghouse supply chain structure
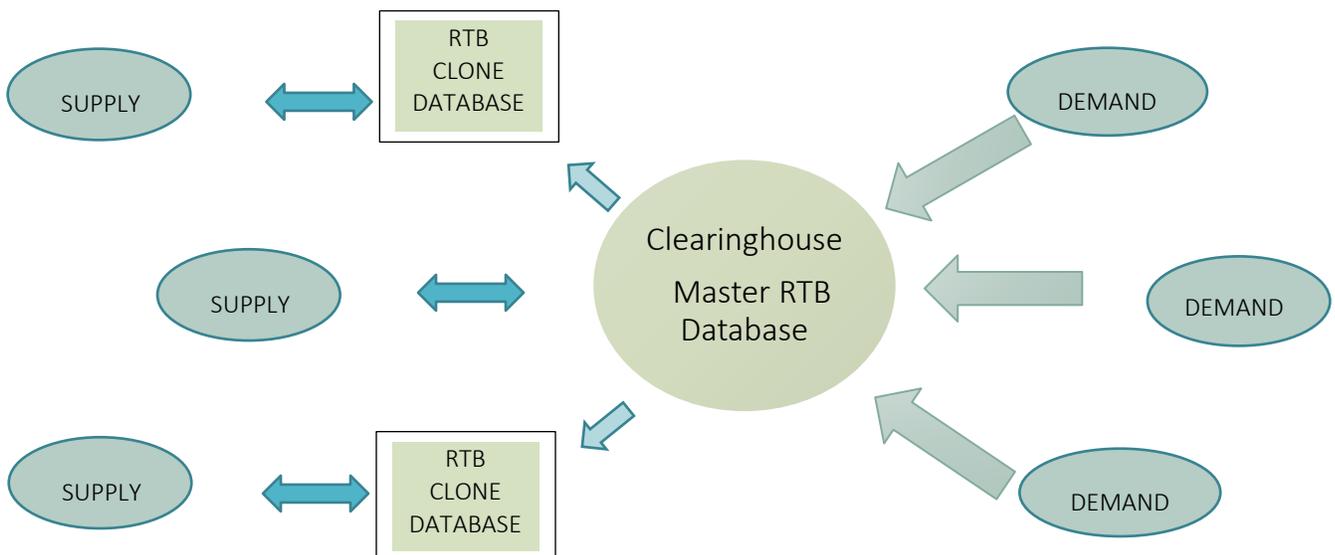
VIII.   MARKETING PLAN

The plan is to initially promote Price Setter's Value Proposition through IAB's publications and news blogs. After that, deals will be worked out with licensed publishers in order to display Price Setter's and the IAB's ads to promote the scope of the new OpenRTB® Clearinghouse and master RTB database.

IX.   FINANCIAL PLAN

The partnering SSP's/SDK's and Ad Exchanges would charge publishers a 5% to 20% transaction fee of the winning bid amount. This fee will pay for itself after non-licensed bad actors and system redundancy have been eliminated and a stream lined system with true transparency is in place. Publishers in turn will receive 80% to 95% of the winning bid amount. Advertisers will save billions of dollars by minimizing ad-fraud lost to click-bots, bid caching, bid games, arbitrage and other fraud schemes.

Advertisers will pay directly to their DSP participants and will also pay a fee to the OpenRTB® Clearinghouse for the management of their bidding data.

X.   SUMMARY

The Price Setter Value Proposition will substantially improve the digital ad supply chain by:
- Promotion of fair competition among advertisers
- Promotion of iab's privacy by default ideology
- Facilitating the implementation and monitoring of FTC regulations
- New ad fraud deterrent technology customized for a clearinghouse and master RTB database

- Paying 80% to 95% of bid amount to publishers instead of the +/- 50% they are receiving now
- SSP's/SDK's and Ad Exchanges could earn 5% to 20% commission on a larger number of publishers
- Minimize Real-Time Bidding℠ latency
- Elimination of redundant intermediaries
- Higher accuracy in ad targeting
- Facilitate the Implementation of new technology to overcome the deprecation of third-party cookies
- Increased number of participating publishers and advertisers
- Publishers will receive higher bids
- Advertisers will save in intermediary commissions