

eBay Town Hall
Trust & Safety
April 30, 2007
2:00 – 3:30 PM

WELCOME TO THE EBAY TOWNHALL WHERE THE COMMUNITY SPEAKS WITH YOUR HOST, BILL COBB, PRESIDENT OF EBAY NORTH AMERICA. FOR YOUR QUESTIONS OR COMMENTS, CALL 877-474-3302, OR INTERNATIONALLY AT 858-678-8958. AND NOW, OUR MODERATOR, GRIFF.

Gary Briggs: Hello everyone. Welcome to the April eBay Town Hall. You may notice a different voice greeting you today and that's because our regular emcee, our friend Griff, is on a well deserved vacation. I'm Gary Briggs, Chief Marketing Officer at eBay and I'll be sitting at Griff's chair as the emcee for today's Town Hall. The focus of our conversation today is Trust & Safety. We're broadcasting live to you via the Internet radio from our headquarters, in San Jose, California.

We want to thank our friends at wsRadio for their help in making this broadcast possible. And we do want to apologize for the delay this afternoon. We had a little issue with getting the connections going, but we're going to have a great afternoon and be with you for the next 90 minutes.

Bill Cobb: It's your fault.

Gary Briggs: Well that's because Griff took the keys and went on vacation with them. We'll explain that later. We're here to take your Trust & Safety questions today. That was Bill Cobb, by the way. Live on the air when you give us a call. So pick up the phone and do give us a call. As we mentioned, the phone number is 877-474-3302. It's a great way for us to talk to you directly and get the answers to your questions. And also, we value the time because we get to hear what's on your mind.

Now today's Town Hall, as I mentioned, is scheduled for 90 minutes, to give us lots of time to address your questions. We know that the subject of Internet security is very important to all of you, as it is to us, and therefore, we want to talk with you about what's on your mind. We have some great people on our panel who truly are leaders in the industry and will be talking more about eBay's efforts to keep out the scammers in the marketplace, so we can keep it safe and well lit.

We know you have a lot of questions and we're looking forward to having a great conversation. Now we really do love to hear from you so don't be shy. To call and ask Bill, Rob, Dave, or any other of the panel members a question on the air, dial our toll free number. Again, it's 877-474-3302. And if you start calling now, we're going to get to your questions in just a bit. Now you can also email us your

questions by sending an email to Town Hall, T-O-W-N-H-A-L-L, at eBay.com (townhall@eBay.com). If you send us your question now, we'll be checking our inbox for questions to answer them on the air, along with the phone calls.

So let me get on with the introductions. The host for today's Town Hall is Bill Cobb, the President of eBay North America. Bill, hello there.

Bill Cobb: . . . Oh, I thought I'd delay, in keeping with the spirit of today. Hello, Gary.

Gary Briggs: Hello, Bill.

Bill Cobb: I miss Griff already but it's great to see you here.

Gary Briggs: I know. I know this is my last time doing this but I appreciate it.

(laughter) . .

Gary Briggs: Which is good for me too, in a way. We're also joined by a talented and dedicated crew of Trust & Safety professionals. First of all, let me introduce Rob Chesnut. Hello, Rob.

Rob Chesnut: Hello, Gary.

Gary Briggs: Many of you of course know Rob from his announcements, his discussion forum posts and other public appearances; most recently, on the Oprah Show, so we really welcome Rob, which will be great.

Next is a familiar face, Matt Halprin, our regular Town Hall T&S guy.

Matt Halprin: Hey, Gary.

Gary Briggs: Hey, Matt. And a few of his managers are with us today, as well. Brian Burke, who manages eBay's Feedback system, and is the product leader and visionary behind the new detailed Seller Ratings enhancement that will launch this week on www.eBay.com. Hey, Brian.

Brian Burke: Hey, Gary.

Gary Briggs: And next we have Sarah Brubacher. Sarah oversees what we call the list practices policies. She works on policies like our links and safety payments policies. The rules that guide what sellers can list and how to ensure we have a safe level playing field and that our sellers follow applicable laws. Hi Sarah.

Sarah Brubacher: Hey, Gary.

Gary Briggs: How ya doing? Steve Oglethorpe is responsible for the rules that govern seller behavior, like shill bidding and seller non performance. Hey there, Steve.

Steve Oglethorpe: Gary, great to be here today.

Gary Briggs: Great. Also with us is the policy manager for eBay's VeRO Program and property rights policies, Sophie Bromberg.

Sophie Bromberg: Hi, Gary.

Gary Briggs: Hi there, Sophie. And from our Risks Policy Team, we have John Canfield. He oversees many of our back end rules and systems that combat fraud. Hey there, John.

John Canfield: Hey, Gary.

Gary Briggs: All right. Well finally, I want to introduce you to a new face on the eBay team, eBay's Chief Information Security Officer, Dave Cullinane.

Dave Cullinane: Hello, Gary.

Gary Briggs: Hello, Dave. Now he joined us recently, bringing with him 35 years of industry experience and information security. Most recently, Dave served as Chief Information Security Officer for Washington Mutual, one of the largest banks in the United States. You may know them as WAMU. We're very pleased he's joined the eBay team and that he could join us for the Town Hall today.

Now also joining us in the room are many other members from Rob, Matt and Dave's teams and we think it's great they took the time to come listen to members' questions and concerns, so welcome to all of you as well. And finally, welcome to everybody who's listening today.

Now let me just start off with a couple questions and conversations we want to just have before we get to questions. Before we start get going, I want to start off by getting your thoughts on Trust & Safety. You know Bill, back in January, you told our Community our about business strategy for the year and no one could miss that Trust & Safety certainly, was a big part. Could you just say a few words about why it's so important and why now?

Bill Cobb: Sure. And I do want to thank you for stepping in as emcee today. I think this is, you did this once before, right?

Gary Briggs: I did, yes.

Bill Cobb: So you're a veteran at this. We started on time the other time. But I will move on from there. So, Gary, on your point about Trust & Safety, and we've done this. I think this is the third year where we've had a Trust & Safety Town Hall and it's usually one of the best attended, most you know, the most questions, etc. And I think it's because I think it's on the minds of everybody. And this is about how do we continue to have the best marketplace on the net, how do we continue to have a great place for our users to come to where it's safe and open and transparent. And really, we've had to evolve our way of thinking on this area almost constantly. And you know, we'll be talking to Rob a lot today, and Rob was sort of the pioneer in this area, but it is an area of keen importance to all of us.

There is a new emphasis on these issues. And I think it's something that we haven't come to lightly. We spend probably more time on this particular broad topic in terms of meetings and thinking through issues than probably on any other. Here at eBay, one of the great things about being involved with eBay is that it's so stimulating and there are so many interesting issues. Most of them are on the gray area, and that's what makes it even a very frustrating area for people because there are strong points of view usually on both sides, of any Trust & Safety question. And obviously, as a marketplace manager, we have to try to settle in to what's best for the overall marketplace. But we do know that providing a safe environment is good for all of us and we absolutely must be vigilant in protecting this marketplace.

Now some have called this a new "aggressiveness" to our approach. And that may be the right way to describe it. Really, it's more about being proactive. And we have had several visual projects recently that have illustrated this; like Safeguarding Member ID's. And the recent announcement last week, that some of our listings will not be made immediately viewable for a few hours, to give us time to check them for potential fraud related problems. Now we have resisted these types of moves in the past. Many of us have talked about this, and Rob and I, who sit only a couple of cubes from each other, talk about these things endlessly. Because these do have an impact on the Community and we don't like holding back information or reducing visibility.

We often get the questions, "So why are we doing it?" And I think you know Rob, you know, as you see in his posts and if you listen to him, he's probably one of the foremost experts in the world on the way the Internet has evolved and really, what is now acceptable and safe has changed. And really, there's a new wave of people, and everybody knows about it because everybody gets phishing emails and these are, call them scammers, they follow the trail. And they have more sophisticated methods and technologies and we have to be ever more vigilant in following up on them. And I do think we've had great receptivity from the Community. On balance, everyone applauds what we're doing from everything

I'm hearing. Now individually, there's often debate on specific areas, and we'll talk about some of them today. And I know people are concerned about the impact, but I also know that people understand that this is pretty complex stuff and that they are in support of what we're doing.

And on that note, I wanted to give Dave Cullinane a couple minutes to talk about security, because that's really his area of expertise. And obviously, we are privileged to have Dave here with us, given the amount of experience he had obviously, with a very prominent bank, which obviously has to do a lot of work in the protection and privacy area. So today what I want you to do is how do you talk about characterizing the types of online threats and security issues you dealt with in the banking industry, as compared to what we're trying to combat here at eBay and PayPal?

Dave Cullinane: Okay. Thanks, Bill. It is great to be here. And you are right, the Internet has changed. And fortunately, I've been around to see most of the evolution of it, as you can tell by the amount of gray hair I have on the top of my head.

But it's interesting to talk about this, because the industry, particularly the eCommerce and the banking industry, have really come together to share their knowledge. And it's one of the key things we have seen here. The communities are coming together to try and deal with the issues of spoofing and phishing, and find solutions to these together. And it's also true that most of the major banks today learned about how to deal with phishing in the first place, by watching what eBay is doing. And Rob's teams are literally the leaders in that space.

From my experience, however, one of the things that is concerning, is that the threats are becoming much more sophisticated, which is why we're here at eBay. We're moving to what we're calling a "predictive mode" and which literally, we're trying to get ourselves in position to where we can put protections in place before something happens that's bad or that's contrary to what our Community needs.

And with that said, I think eBay is something quite special. I've actually relocated my family down here to San Jose from Seattle. My wife and I have used eBay to both buy and sell things as we've been making that transition. I've been an eBay user for quite awhile. My wife's actually, I kid her say she virtually lives on eBay and it's probably a fairly true statement. But even more to the point, she actually took my brother-in-law and helped him transition his entire business to eBay and he now runs a very successful business online with us. It's just an amazing and a wonderful place to be.

As I've settled into the organization here and have gotten to know the different teams and the dedicated individuals in particular, who are working to prevent cybercrime at both eBay and PayPal, I've literally been blown away from the talent and the expertise and the breadth of knowledge and commitment the

employees have in this company. Quite frankly, these teams are to be commended. The situations these groups deal with on a daily basis are unlike anything any of the others in the industry face today.

Bill Cobb: You know Dave, one of the questions people ask me about all the time is, “Are we doing anything about these guys,” and you know, “What’s going on,” etc. And I realize that some of this you can’t speak about for obvious reasons but I think it’d be interesting to share with the Community some sense of what you do with some of your counterparts in the industry.

Dave Cullinane: Sure. That’s a really good question. Because information security is one area in which the corporations have tended to put competition aside in order to cooperate with each other. eBay and PayPal are seeing things that the wider industry has not yet faced and we’re literally a leader in this area. Just recently, I hosted what we called a “Red Team eBay Event” and we brought together some of the top security industry experts here in San Jose, for a two day event to share our experiences and insights on information security. And it was an incredibly beneficial exchange of information for all of us. And this type of collaboration and best practice sharing is really critical to the future and security of the Internet. No business is immune and it’s up to us all to work together to share the common knowledge of our counterparts, as well as with law enforcement, whom eBay has cultivated a very productive relationship with through the leadership of Rob Chestnut and his team.

Bill Cobb: So thanks, Dave. And hey, one last thing; I understand that one of the members of your team couldn’t be here today because he’s actually in Romania, working with law enforcement there on a case, which is an example of what you guys do.

Dave Cullinane: That’s right, Bill. As I said, you will not find people in the industry with more expertise and dedication than these guys. They literally live the stuff that novels are made of.

Bill Cobb: Hm, hm.

Dave Cullinane: Our teams often travel the world to work with law enforcement organizations to fight cybercrime.

Bill Cobb: Yeah, and I think that really, some major kudos to your team and our thoughts are always with them. These guys do go to places that aren’t the friendliest all the time and I think they are some of the unsung heroes of eBay. And we owe you and your entire team a lot of gratitude, and I think the whole Community would speak for that, so. So anyway, thanks, Dave, and I’m sure we’ll have questions for you. Why don’t we go back to Gary?

Gary Briggs: Sure, okay. Well thanks, Bill and Dave. Now we want to get to one topic that we know is on the mind of the Community and turn it over to Brian Burke for a second, on the Policy Team. Now Brian, we know it's a big week for you, you've been piloting the Detailed Seller Ratings in about eight markets around the world right now. And tomorrow, this major upgrade to the Feedback system is going to launch on www.eBay.com and also the rest of international. So you must feel like a proud parent, can you give us a little bit more of what's going on here?

Brian Burke: Sure. Thanks, Gary. You're right it's a big day for me, as well as for a lot of other people in the organization. It's a culmination of a lot of work by many people throughout the company, both here in the United States, as well as globally, and so we're excited about the rollout tomorrow, going globally.

Gary Briggs: Now I know you guys did a pilot on this and saw some great results from the pilot. Can you give us a little more detail on how that went?

Brian Burke: Sure. Just to make sure our listeners are aware, Detailed Seller Ratings basically add a new dimension to the Feedback system. It gives the buyers the opportunity to rate sellers on four criteria; item description, communication, shipping time, and shipping and handling charges. Each buyer rates the sellers on a 1 to 5 rating for each of these areas. And then the average score is displayed as part of the seller's Feedback Profile page. Another thing that we've done with feedback 2.0 is we're adding the item title and price beneath the common area, and this gives each buyer additional information as they're evaluating a seller before making a transaction.

And as you mentioned, we piloted these changes just to make sure that we were absolutely sure it was the right thing to do and make sure there were no unintended consequences. Besides doing extensive research for the last two years, we launched these upgrades in eight more markets earlier in the year to make sure the changes had a positive impact we intended, before introducing them globally. And you said, our results have been positive, very positive. For instance, buyer adoption rates are very strong in both, the UK and Australia. A majority of the buyers lever Detailed Seller Ratings when they leave Feedback.

And basically, the four areas are areas that the buyers are looking for when they're making transactions. You know, Detailed Seller Ratings provide buyers with more detail about a seller's service, which helps increase the buyer's trust. With particularly help for sellers is that it allows our best sellers to differentiate from other sellers in the marketplace.

Gary Briggs: Now that last point is a great point. That's a big point in term of the differentiation. And we certainly recognize and know the Community sees this as big changes, but give us a little more on the response from buyers and

sellers, because I know that's been a lot of the discussion you guys have been listening to and incorporating as we got ready for final launch.

Brian Burke: Sure. So first off, this was a huge change from a technology standpoint. You know, as a testimony actually to the engineers and the developers that there have been no issues, especially considering we migrated over 13 billion records as part of this rollout. Some things that we were concerned about and some things that our sellers were concerned about really haven't materialized as issues. For instance, we've seen no negative impact to bidding and listing. Some sellers were initially concerned that including the price information below the common area would lower ASPs. That has not happened and it is no longer an issue in the pilot markets.

Bill Cobb: You know, I would say one thing Brian I was in Europe last week with some of the folks who rolled this out. And I actually was initially skeptical on this but I've become a big fan of this. I think the reaction from some of my counterparts in other countries who did have some concerns it's been great for buyers. And by the way, it's been great for sellers. And the sellers I'm talking about that it has been great for are the ones who are really good.

Brian Burke: Yeah.

Bill Cobb: Because I think this is going to have to separate out you know, our sellers. And we'll talk later about you know, the ratings and the numbers. But all that I heard in Europe last week was really positive.

Brian Burke: Thanks, Bill. And in addition, you know, I mean one of the things that we were you know, these are big changes and I think that everyone in the Community has got a right to be concerned about the changes. You know, but what we've seen in the pilot markets is a steady, positive trend. You know, as people have experienced these, they understand how the system works. They become more comfortable with it and most of their concerns have dissipated.

Gary Briggs: Yeah, we've definitely seen that. I know you guys have been doing a lot of work in listening to the Community and in research and collecting information over the last bit of time, which are great, so great job to you and your team.

Brian Burke: Yeah. Thanks, Gary. And I want to point out one more thing.

Gary Briggs: Sure.

Brian Burke: As part of the pilot, one of the things we wanted to do is try and learn. And one of the things that we learned with the pilot was we were averaging the stars to a ½ start, so a 3 ½ star, 4 stars, you know, 4 ½ stars is what was visible on the Feedback Profile page. And what we learned was we

weren't seeing enough differentiation. And so when we roll this out tomorrow, we're actually going to show things to a 10th of a star. So a seller with 3 ½ or 3 ¾ stars or rating, use to average up to a 4. And the same with a seller with 4 ¼ ratings; they would average down to a four. That's a ½ point spread. And the 10^{ths} will show differentiation and you know, highlight our best sellers.

Gary Briggs: That's terrific. That's great. Well good, thanks, Brian. That's a great update and I know that's on the minds of a lot of folks and it's good to address that. Now Rob, one thing before we go onto opening the questions, and we'll do that in just a second. It's great to see you today and I was wondering if you could give us your viewpoint on where we are today, based on all the proactive measures we've been implementing. You know, some of them public, some of them behind the scenes, but you know, how do you see the progress?

Rob Chesnut: I've been really excited about the progress over the last several years, Gary. You know, but it's the sort of thing you never give up on. It's something that I'm sure as a department, we will never sit back and be satisfied and claim victory. It's an ongoing effort to keep the marketplace safe. Boy, when I think about where we were just a few years ago and all the things we've implemented and all the progress we made, I feel great about it. And the results that I'm seeing tell me that we're going in the right direction. Now based on the feedback that I'm hearing from the buyers and the sellers and all the rights owners, I think we're making the right decisions and I'm feeling very good about where we are right now.

Gary Briggs: Well that's great. Well look, we're just about to take questions. And thanks to everybody for just giving us the updates and giving us a sense of some of the hotter topics. We know people have been waiting patiently to ask questions and I think we could certainly talk about these topics for the rest of the 90 minutes, but let's go to the break and head to the phones. So as a reminder, to ask a question live, just dial toll free, 877-474-3302. And let's start with the first question. This came in from Abby, in Los Angeles, and I guess Rob, this will be to you. And the question is,

Bill Cobb: No, no. Abby asks it. Say, "Hello, Abby."

Gary Briggs: Oh, sorry. Hello, Abby.

eBay caller: Hi, Rob, hah.

Rob Chesnut: Oh, hi, Abby. How ya doing?

eBay caller: I'm good. How are you?

Rob Chesnut: I'm doing great.

Gary Briggs: Oh, she's live on the phone. Hello, Abby.

(laughter) . .

Gary Briggs: Where's, where's, do you know where Griff is? I miss him right now.

(laughter) . .

Bill Cobb: Ha, hah. You've got to forgive Gary. He's getting use to the technology here, you know.

eBay caller: Oh, that's okay.

Bill Cobb: So what's your question, Abby?

Question # 1: **Okay, so um, here's the thing. My account was suspended due to a trademark violation. But I didn't understand exactly why, what I was violating.**

Rob Chesnut: Oh.

eBay caller: **And so why can't eBay give a specific reason for accounts being suspended?**

Answer from Rob Chesnut: In most cases we can, Abby. When you're dealing with a trademark violation though, things are a little different. In the area of copyright and trademark, when we are provided with a notice by a rights owner that your listing infringes on their rights, you know, under the law we have to take the listing down. There's a, the law that governs this area is something called "The Digital Millennium Copyright Act."

eBay caller: Okay.

Rob Chesnut: And we treat copyright and trademark the same. Now that law, I wish the law provided that the copyright and trademark owner has to give you the specific reason why you're listing is infringing. That, in my opinion, would be a better law. Unfortunately, all the law says is that the right owner simply has to give notice. And with a simple one sentence notice to us, "Under penalty or perjury", eBay is obligated to take the listing down. And the reason you don't hear from us any more specific information is because we don't have any more specific information. The rights owner is the only one that knows.

Now we work very closely with rights owners. And as best we can, we try to encourage them to give us more detail. Because when they do give us more detail, we can pass it onto you. Because I know it can be a very confusing and

bad user experience when they simply say, “It must come down,” and your listing comes down and you don’t have any more than that. And some rights owners have been really cooperative with us in providing us that extra information. I think it helps resolve these problems. But unfortunately, we can’t require them to provide us with that information.

eBay caller: What would you suggest that I do? Now my account is you know, if anybody had their account suspended for indefinitely, for 12 months. I use eBay. I’m not a huge seller but I use eBay because I use eBay for all kinds of things. And now my account is suspended indefinitely and that’s very upsetting.

Rob Chesnut: I know it is. I can understand your concern and thanks for calling me. If your account was suspended indefinitely, that indicates to me that there’s likelihood you had a couple of problems in this area. Because usually. .

eBay caller: It was the same situation.

Rob Chesnut: It’s not the sort of thing that happens on a first offense.

eBay caller: It was, yes.

Rob Chesnut: I can’t, you know, without actually looking at your account; it’s hard for me to speculate. Why don’t you send me a note, to Rob C., R-O-B-C at eBay dot com (robc@ebay.com)?

eBay caller: Okay.

Rob Chesnut: Right after the Town Hall, and I’ll have somebody look at it and get back to you.

eBay caller: Great. Thank you, Rob.

Rob Chesnut: You bet, Abby.

eBay caller: Okay.

Rob Chesnut: Thanks.

eBay caller: Good bye.

Gary Briggs: Okay. Thanks, Abby, very much. So just to give you the phone number again, its 877-474-3302, and we’ll know that your calls are live. And, you can also send an email again to townhall@ebay.com. Now speaking of which, we got a number of questions that we received just before going on air. And a couple more having to do with what we were discussing earlier on Detailed

Seller Ratings are what we've been calling feedback 2.0. So I guess to Brian and Rob and Bill, there's kind a two questions here:

Question # 2: First, I'd like to know why you feel the new upgraded feedback system is a genuine improvement over the previous feedback system.

And the second question was:

Question # 3: I think the 1 – 5 rating system is obsessive and will hurt sales and finally, your revenues. You should consider this, if this is a good move or something that will make the overly picky, shy away from eBay.

Answers from Bill Cobb: So I'll go first and then Brian or Rob can weigh in. Here's why I think it's a genuine improvement. Because I think it's going to be great for buyers to have more transparency about the things that buyers are complaining about, which is excessive shipping charges, poor communication, the item not being as described, etc. So this is going to give the buyers a lot more information on that and really hold sellers accountable. And the reason why it's so good for sellers is because most of our good sellers do this very well, and they're going to be able to differentiate themselves versus just a positive Feedback point.

And we had also gotten, I have fallen in this trap, of this vicious cycle where I won't leave you Feedback unless you leave me Feedback. This is going to be much, much better. It's anonymous for buyers and the good sellers are going to benefit from this. And as far as, the overly picky, you know, the data from the test markets does not indicate that. Brian, what's the number? Is it 70 to 75% of the folks that are leaving Detailed Seller Ratings?

Brian Burke: Yeah, 70 to 75% leaving Detailed Seller Ratings for the sellers. So, excellent adoption rate in a very short period of time. One of the other aspects of this question was you know, "How does it improve the existing system" and I think Bill touched on some really important components; one is the seller differentiation.

Today, with our existing Feedback system, there are lots of sellers out there who look good at 98-99%, yet we all know there are a number of buyers who are uncomfortable leaving negative Feedback because they're going to get a negative Feedback in return. And what Detailed Seller Ratings enables the buyer to do is leave Detailed Seller Ratings and the seller is unable to know what the specific rating that the buyer leaves for that seller is. And so we think that it's going to encourage more honest Feedback from the buyer community, which ultimately helps buyers make better decisions. Ultimately, that will help our best sellers.

Gary Briggs: That's great. Rob, any comment at all?

Rob Chesnut: Yeah, I mean I'm excited about it. But I think the old Feedback system didn't do enough to differentiate the good sellers from the you know, the average sellers. I mean a lot of sellers are 99% positive Feedback.

Gary Briggs: Right.

Rob Chesnut: And in some cases, I think that made them look better than they should look. So you know, our data shows actually, that by providing buyers with more detailed good information about the sellers, it doesn't hurt sales. What it does is it takes some of the business and moves it to the sellers that are outstanding performers. And it probably hurts a few of the sellers that aren't providing great service. And frankly, think that's the way it should be.

Gary Briggs: Yeah, I agree. We're definitely starting to see that and I think people will be very pleased. When you look at this a month or two from now, you know, two months from now, I think we'll see you know, what a great benefit this has been. Well we've got another live caller. This is from Betty, in Lodi. Betty, what's your question?

Question # 4: I bought an item the end of March and after the seller got my money, he was suspended. And I filed a claim and the claim, the amount I filed the claim doesn't show up on my account, and I want to know how I can get my money back.

Gary Briggs: Okay, that's probably Colin Rule, who would probably be a good person to respond to that. Colin?

Answer from Colin Rule: Sure. Hi. Can I ask the clarifying question? Now did you pay for the item?

eBay Caller: I can't hear him.

Colin Rule: with PayPal, Betty? . . . Oh, is my Mic on? . . . Hi, Betty?

eBay Caller: Yes.

Colin Rule: Can you hear me now?

eBay Caller: Uh-huh.

Colin Rule: All right, great. Hi, this is Colin.

eBay Caller: Um-hm.

Colin Rule: I just wanted to ask a clarifying question. Did you uh, pay for the item with PayPal?

eBay Caller: Yes, I did.

Colin Rule: You did?

eBay Caller: Um-hm.

Colin Rule: So did, did you file a claim under PayPal's Buyer Protection Policy, do you know?

eBay Caller: Yes, I did. Um-hm.

Colin Rule: You did. So like it does take some time for that claim to work through the system. Have you gotten a notification from PayPal that indicates whether or not a decision has been rendered in your case?

eBay Caller: I have gotten nothing.

Colin Rule: Okay.

eBay Caller: I've heard nothing.

Colin Rule: Yeah, why don't you follow up with me, Betty? My email is C-R-U-L-E at PayPal.com crule@paypal.com.

eBay Caller: C-R- . .

Colin Rule: I'll have to look into it and figure out what's going on. But sometimes it does take time for these claims to get through the system. And so it may be that it's been a week or two in the queue and you're going to hear soon. But once I get the details, I can look into it.

eBay Caller: Okay. Now you said, C-R-U-L-E?

Colin Rule: Yes, at PayPal dot com.

eBay Caller: Okay, I filed this on April 18th.

Colin Rule: Okay. Well sometimes it can take that long. Yeah, to get through the Protection Services Team. So let's follow up and we'll figure out exactly what's going on.

eBay Caller: Okay, well I have all my paperwork here, so I'll send you an email on everything, item number and everything, and let you follow up on that.

Colin Rule: Great. I can.

eBay Caller: Okay. All right, thank you.

Colin Rule: Thanks a lot, Betty.

Bill Cobb: He'll promise not to be cruel.

eBay Caller: Hah, hah.

(laughter) . .

eBay Caller: Thank you.

Bill Cobb: That was a cute joke.

Colin Rule: That was funny. That was good.

Gary Briggs: Well, thanks. Thanks for your call. And again, you can call 877-474-3302. Now we've got an email, so this is to townhall@ebay.com. This is regarding changing IDs.

Question # 5: **On two occasions, I've been defrauded by sellers which left me feeling vulnerable about future transactions. During the process of investigating the sellers' history with eBay, I discovered that both sellers had changed their Seller IDs multiple times. It appears to me they may be practicing the same deceptive business practices under a different name. Why do you let sellers change their IDs multiple times?**

Matt or Rob, you want to handle that?

Answer from Matt Halprin: Yeah, sure, I'll take it. This is Matt. So we let any member change their IDs really I think it's as often as they want. Or maybe it's every 30 days or something like that, if I remember right, every 30 days. And you know people want to change their IDs for any of a variety of reasons. Some of which are you know, valid and reasonable and others may be, as in this case, intended to deceive. We still track their accounts behind the scenes. We know if someone has changed their ID, and you can see it through the, you know, by checking their, the User ID History. We see it all as the same individual behind the scenes. And if they are committing policy violations, providing bad buyer experiences, etc. we'll take action as a single individual. And so I think the key point here is we just need members to tell us by virtue of you know, leaving Feedback, which transfers with the User ID change. Is that correct, Brian?

Brian Burke: Correct.

Matt Halprin: Leave Feedback, open item not received, or significantly not as described disputes, like the process caller and the previous caller were describing so that we can assess their transaction history and take appropriate action, whatever that may be.

Gary Briggs: That's great. You know, we've got another email as well. This one is regarding the response time to some of the T&S reports they we receive. And this question that came in through email:

Question # 6: **What is being done to improve eBay's response time to reported scam listings? When this hot listings are duly reported, they remain sitting inactive for hours and it seems even days afterwards.**

Answer from Rob Chesnut: I actually track this quite closely. Because we do depend on the Community and the Community's reports in order to help keep the site safe. Every year for the past three years, we've gotten faster and faster, taking scam listings down as they are reported. Usually, a fraudulent listing is down within two or three hours after the time it's reported to us. So I feel great about it. There are always occasions where something that gets reported for one reason or another stays up. It might be a technical back end issue on our side or it may be frankly, that we've taken a look at the listing and we think it's actually fine.

Bill Cobb: Yeah.

Rob Chesnut: But as a whole, you know, we've worked very hard at improving our response time to this and overall, I'm quite satisfied that listings are being taken down very quickly.

Gary Briggs: That's great. Matt, anything you might want to add to that at all, or no? No, okay. Well good, we've got another caller. This is from Barb, in Cincinnati, Ohio. Barb, are you on the line?

eBay Caller: Hi. Yes, I'm here. Uh, the question is this.

Question # 7: **I won an auction last Monday. Then the seller decided that he'd refused to sell me the item for that price. I made an incident report with the Safety & Trust Department and I want to know how long I would normally have to wait until I hear back to see what's going to happen about my situation?**

Answer from Matt Halprin: Yeah, this is Matt. I'll take this one. For those who may be listening, who don't know, that's actually what the seller has done is against our rules. It's a violation of our Seller Nonperformance Policy. The same way a buyer is required to pay if they win an auction a seller is required to honor

their terms of the listing, which is a contract when an auction is won, and they have to ship the item as described, in the amount of time that they say they'll ship it, etc. etc. to the buyer. And just because a seller may not like the price they got in an auction doesn't mean they can back out of it. Otherwise it's a Seller Nonperformance Violation.

In terms of how quickly we'll respond to something actually, typically eBay does not, if we get a report, we don't always come back on a specific issue with what the resolution is. There may be a variety of reasons that things happen, and to protect privacy, we won't come back, other times we will. And I'm not actually sure, someone else on my team knows whether in these situations we will respond with a specific outcome. In other words, if this seller has done this once, we will definitely let the seller know that they violated the policy and that they can't continue to do it. If they've done it multiple times, we'll take action against the seller. But for privacy reasons, we won't actually communicate back what that action was to the seller or there may be other things going on in the account.

eBay Caller: Um.

Matt Halprin: But we actually directly can't force the seller to follow through on the transaction. We can just you know, either decide to take action with their eBay selling privileges or not, depending on the overall circumstance.

Rob Chesnut: Hey, Barb, this is Rob. Yeah, this is obviously a very difficult situation because we can't get on a plane and go out and force the seller to ship you the item. You have a binding contract with the seller. .

eBay Caller: Um-hm.

Rob Chesnut: At that price. And I don't know what the price of the item is or what its value is to you but there have been a number of situations in eBay where somebody has hired a lawyer, sent a letter and said, "Look, the item's mine at this price. We have a contract. I expect it to be delivered now or we're going to resolve it in court." And I think that's something you know, you have to take a look at and decide whether it's worth doing.

In our case, there are a few incidences where a seller is permitted not to go through with the transaction. You know, there are incidences where an item gets damaged after the listing has ended, or lost or stolen and the like. And I don't know the particular circumstances in this case but I would contact the seller and point out that the item is yours at that price as a contract, and you expect it to be delivered. Again, any seller that gets multiple reports about this eBay will take action against because obviously, that's a terrible experience for buyers and we can't put up with it.

eBay Caller: Right. Well okay, thank you. I appreciate the response.

Rob Chesnut: Thank you, Barb.

Gary Briggs: Great, thanks very much for your call. Well we had a couple questions that came in about phishing, so we probably, this could explain what the non-“F” version of phishing, is the “PH” version of phishing. But first of all, the question was:

Question # 8: Has anyone ever been prosecuted for criminal activity reported to eBay due to phishing?”

Rob?

Answer from Rob Chesnut: Oh yes. This is Rob and yes, we have successfully prosecuted a number of individuals around the world for phishing. I know in Eastern Europe for example, we’ve been very aggressive and, you know, we’ve successfully prosecuted over 100 individuals just in Romania alone, for example, for being involved in phishing and other email related scams.

And people are prosecuted actually across the United States for this. It is a crime. It is wire fraud and law enforcement does take it very seriously. You know, the issue is it is not easy to track these folks down and there’s some areas in the world where law enforcement doesn’t take it as seriously, but we’ve got, I think we’ve got over a dozen formal law enforcement officials who now work for eBay.

Gary Briggs: Yeah.

Rob Chesnut: And we’re out working with law enforcement literally in Asia, Australia, all across Europe and the United States constantly.

Gary Briggs: It is amazing. The types of activities you guys do are really extraordinary. We made a reference before to kind of a spy novel.

Rob Chesnut: Yeah. We had a lot of success. And you know, really it’s a matter of getting out to the conferences and teaching law enforcement about eBay, getting to know who prosecutes these cases and doing them. I think these sorts of prosecutions send a great message to the folks that are thinking about doing this sort of activity. Because, you know, even if you are in a remote town somewhere far away from San Jose, California, you know, you can get arrested.

And for those of you that are interested in following along with this sort of thing, there’s a section of eBay Security Center that we actually have law enforcement stories and we usually update them month or so. So click on the Security Center link, which is on the bottom of I think every eBay page, and when you get to the Security Center, click over to “Law Enforcement” and you can read about the

latest activities of our Fraud Investigation Team and the arrests we've managed to get with law enforcement.

Gary Briggs: And one other comment on this is you know, Dave, I know we do a bunch on an industry level, both coordination with industry leaders, as well as our own involvement on, you know, fighting phishing at that level. Can you comment on that as well?

Dave Cullinane: Sure. And again, you know, I'd be the first to say that eBay has actually been the leader in this space and that most of the banks learned how to do what they're doing by watching what eBay did, so. Part of it's catching, the people that are doing this, as Rob has mentioned, we are getting incredibly good at that and his team in particular.

Part of it's educating our user Community so they don't fall for this type of scam and they recognize something when they see it and don't fall for it. Part of it is also educating the user Community, which is something we're working on to not allow their computers to be misused by these people, to perpetrate these kinds of things. We're very effective at doing site shutdowns and shutting down the sites that are being used for this purpose and the stopping the hostile activity that's happening.

And we're also doing some very innovated and leading things in the industry. One of which is generically called "Domain Key Systems", things, and you can look at on the Internet, the IETF stuff on DKIM or Domain Key Identity Management. They were starting to implement, to allow us to identify very clearly, what's coming from eBay and what isn't, so that we can quickly identify the fake emails and stop them.

Rob Chesnut: Gary, while Dave was talking, I took my soapbox and pulled it up to the microphone here and if you give me a second I'd like to, I'd like to let folks know that if you're depending on law enforcement here, you know, don't do it.

The best thing that you can do is prevent a problem. Because once you sent your personal information off, the scammers have got it and they're not going to be able to pull it back. So there are two things that everybody should be doing, just basic.

Number one, you ought to have the most updated browser on your computer or the eBay toolbar. Not that important to me which one you do, either one will provide you with a high level of protection against phishing. They all, you know, the new Microsoft Browser IE7, the latest Fire Fox Browser, they all have built-in technology that will alert you that you are about to go to a phishing site. So you don't have to be smart. You don't have to know all the rules. You just have to have the browser on your computer and your whole family is protected. It's free.

There's really no excuse for not getting one of these things on your computer and I'd urge everybody to go out and do it right now. And the other thing that you need to do is you need to have up-to-date anti-virus protection on you computer. And I know it costs money to do it but it's like driving a car without brakes. Its basic protection you gotta have if you want to take your computer out on the Internet. And with these two things, you'll have a much higher level of protection against the problem, so that you don't need to rely on number three.

And number three is getting educated. If somebody sends you an email asking you to click on a link, personal information, some big urgency, it's fake. Don't respond to it.

Gary Briggs: Yeah. We don't send stuff that asks for that, so don't respond to it.

Rob Chesnut: We don't. So you know, basic education is good but if you get, you know, the browser or get the eBay toolbar with Account Guard, get anti-virus protection that keeps you from doing something stupid.

Gary Briggs: And if you're in doubt, if you're not sure if it's from us, you know, go to My Messages and that's where you'll find if it's something from us. So that's all great. Now, we do have a question on the phone and one of the reasons we have a toll free number is sometimes we have people waiting for a bit. So Keith, from Landrum, South Carolina, you're on with us.

Question # 9: **Yes, good afternoon. Why are you releasing feedback 2.0 at this time, right in front of postal increases? I need to raise my shipping rates and even the postal employees do not understand all the new rates.**

Gary Briggs: Well Bill, you want to comment on that?

Answer from Bill Cobb: Yeah. So I think and Susan Geis is here from our Shipping Team that she can talk about some of the steps we've taken about the pricing action that USPS is taking. But let me address your policy question which is, "Why did we do it at the same time?" I think that you know, as I said before and I think as Rob has said, we think ultimately that this is the right approach for the Community to rollout feedback 2.0. We did put it in international markets for few months to see what the reaction was there. And on things like this Keith, you know, it's one of those calls where do you wait and look at external factors like this? I think this is going to be pretty well known, so this is, it just happened to be the timing when we felt feedback 2.0 was ready. We wanted to get it out there over this, you know, during the springtime frame. And there really wasn't any real specific reason that we wanted to jam it in. We felt it was ready and as I said, I think this is going to be very positive for the Community.

And to that end, Susan and her team have been spending a lot of time on the rate increase, so let me let her spend a minute or two on some of the steps that team has taken to get ready for the rate increase.

Susan Geis: Great. Thank you, Bill. And thank you, Keith, also for your question. I did want to run through just a few things. We've been working with USPS for several months trying to make this transition as smooth as we possibly could. There are a few resources I'll point you to that should help you work through the rate increase as it comes up in the next couple of weeks.

One is we launched an informational page in our Shipping Center and that URL is www.ebay.com/uspsupdate and I would encourage you to go there. We have a lot of great information about how to update your listings and make sure that you can research the new rates. In addition, our teams at eBay worked really hard here to introduce some new tools, which will be coming out in the next week or so.

One is we're actually going to update our Shipping Calculator early with the new rates. So if you go to the research rates link in the SYI shipping section, beginning in early May, you'll actually see a link there to click on the new rates for USPS and this will give you a chance to look at the new rates and the old rates sort of side by side and set your shipping charges accordingly.

In addition to that, we're actually updating Turbo Lister and Mass Listing Editor to allow you to update shipping details, which you previously couldn't do for all of your shipping services. So we hope that in addition to those tools and all the resources on the page I mentioned earlier, that will really help sellers transition through the rate change.

Gary Briggs: That's great. Well thanks for that and Keith thanks very much for your call. We've got another call. We're starting to get a few here. This is from Carl, in Fort Walton Beach, Florida. Carl, you there?

Question # 10: Yeah. Hi, Bill. How are you? Um, I just want to know, the new 2.0 criteria, is it going to be used to gauge PowerSellers status in the future?

Gary Briggs: Brian, you want to take that?

Answer from Brian Burke: Sure. Thanks, Gary. Thanks Carl. So at launch, we don't plan to use it for establishing PowerSellers status. The current, uh, the current status would remain where you need 98% positive Feedback. But as we learn more, as once we roll feedback 2.0, as we get use to it and understand how our buyers are using it and the value of it, it provides us a lot of structured data that we can use for a lot of different reasons. I wouldn't want to

say that we wouldn't use it in the future, but it's not something that we plan to do right now.

Bill Cobb: And you know again, I was in Europe last week when you spoke.

eBay Member: At what point do you gauge whether a seller is going to be looked at a little bit more closely? Was it three, three and a half, four?

Gary Briggs: Three and a half four, I think was the question. When would a seller get looked at more closely?

Brian Burke: So again, I think one thing is um, the structure data that detailed sellers provide, actually give the buyers a lot more information for them to make decisions. And what we hope to see happen actually, is the buyers make more informed decision and migrate towards the top line sellers. And hopefully what'll happen is buyers, or sellers will change behavior. I think, for us right now, we haven't made a decision right now on whether or not we're going to use that data and at what point, you know, is it a three or two or a one, at this time.

eBay Member: Okay, well thanks a lot guys.

Matt Halprin: Yeah, and this is Matt. I wanted to add a couple things. First as a seller we would encourage you first, before eBay does anything with the information, as a seller, take a look yourself and see how your score is across the four dimensions are stacking up against your competitors. You'll find what we've already seen in the eight pilot markets, that they're different levels of, you know, the average one for shipping is different than the average one for accuracy of item description, which is different than the average score for communication.

But when you start getting your own scores coming in, take a look relative to your competitors and see where you're doing better, which is great. Keep doing it. And where you're not doing it as well you know, take a look at some of the specific comments, the textually comments, the eighty characters of comments, to understand what maybe your buyers aren't as happy with as compared to what some of your competitors are. And you may choose to change some of your own practices to get those scores up.

Naturally, we'll take a look over time and we will start taking advantage of the information that's there to, you know, we're talking internally and we always talk about new ideas but how to do things to help sellers that are doing really well because, you know, you all are the ones that are driving great buyer experiences, and may do some things to encourage sellers that aren't doing as well to improve their businesses.

Gary Briggs: That's great Matt. Well let me just remind everybody again, the toll free number for those who want to call in; 877-474-3302 or again, you can email questions to Town Hall, T-O-W-N-H-A-L-L townhall@ebay.com. We had a number of questions um, come in and um, one of these had to do with items not yet searchable. So two of the questions that came in; one says:

Question # 11: I just posted an item to sell but I don't see it in the category. Why does it take a few hours before eBay posts it? Or is it just me who can't find it? And if I go to my account it shows, but if I try to do a search for that item, I can't find it.

The second one says:

Question # 12: Why does it take upwards of twelve hours sometimes for an auction to show up in a search? It seems that if I'm paying for a seven day listing, I should have a full seven days listing!

Exclamation point there.

Sometimes it takes a full twenty-four hours for an auction to show up and that is taking a full day off of my seven day listing.

Rob?

Answer from Rob Chesnut: I got that one, Gary. No, it's not just you. The listing isn't there you know, if you go back in eBay history, you know, the purpose of a seven day listing isn't that it's exactly seven days. It's the listing will end exactly seven days from the moment you list it.

Bill Cobb: Right.

Rob Chesnut: You never know one has ever had an exact full seven days on a seven day listing. That time, I remember in the old days at eBay, it would easily take four, six or more hours just because it took us that long from a technology computer perspective to get it on the site.

Gary Briggs: To put it the search, yeah.

Rob Chesnut: You know, and what we've been able to do over the years is we've been able to get faster. And so, you know, often we're able to get it up on the site within, you know, even a few minutes in some cases, which is great. The downside of progress here has been that, you know if something gets on the site that quickly it doesn't give the Trust & Safety team enough time to react in case there's a problem with the listing. And so what we do, and we do this in different areas of the site, we're using a whole lot of different criteria with our fraud engine, is that from time to time, different listings on the site are going to be delayed.

Often it's just a few hours, two or three hours I think would be typical. Sometimes it's a little bit more than that. It's rarely as long as eight or ten or twelve hours. The purpose to this is, you know, to give the Trust & Safety teams to pull down the problem listings and moreover, we don't want to expose a potentially fraudulent listing like that to the Community at large.

Bill Cobb: Right.

Rob Chesnut: So by doing this, I think it maintains the overall safety of the site, the appeal of the site, um, and it assures that when listings do go up, that it's a much cleaner looking site. And we've been far more successful in doing that. One complaint we hear from sellers is that, "You know, when my listing is delayed, it's not showing up in newly searched items," and those, that area actually gets some traffic from a bidder prospective and you know, we listened and said, "You know, you're right." And so what we've been able to do, I think just over the last month, is we made a correction and now when an item is listed, when it is delayed for a Trust & Safety purpose, when it does appear on the site, it immediately goes into the newly listed. So sellers now have great exposure on the situation.

Gary Briggs: This is great. Yup.

Bill Cobb: Yeah, and I think that's the most important point. Is that you know, for avid users of eBay, you know, we all like to look at newly listed, and so no one is penalized for newly listed. Everyone gets their chance to come up high in that result. And I think that's what we felt um, you know, we had to do before we did this and we've been able to pull that off and the tech team has done a great job on that.

Gary Briggs: Really great job. Well, we got another call coming in. This is from Tucson, Arizona, and someone by the name of Gary. I like that name. He's on the phone. Gary, are you there?

eBay Member: Hi, yes. Hello?

Gary Briggs: What is your question, sir?

Question # 13: **Why are so many unreleased copies of DVDs put on the listing sites?**

Gary Briggs: The question is why are so many, could you ask the question again please?

eBay Member: Like on eBay but when I tried to sell it on eBay, I got suspended.

Rob Chesnut: Well we've got Sophie Bromberg here, who deals with counterfeits and trademark and copyright issues. So Sophie, why don't you tell us about this?

Answer from Sophie Bromberg: Yeah. And just to clarify the question, you said that you got suspended?

eBay Member: Yes.

Sophie Bromberg: Okay. So one of the things that we hear over and over from sellers is uh, that we did hear about, from some sellers before, is that we allowed too many copies at sometimes and it came from places that were selling pirated copies. So we implemented some restrictions, like we did for trademark goods a few months ago. And so now we basically ask sellers to be PayPal verified and put some restrictions to make sure that what they are actually selling is not going to be coming from places that could be selling pirated copies. So you may have been caught in one of these, um, in one of our restrictions. So if you want to give me your user ID, um, my. .

eBay Member: Oh, I've been reinstated since.

Sophie Bromberg: Okay.

eBay Member: That's not the problem. I just wanted, I mean I look on there and there's still like twenty, twenty-five for sale and they just keep coming up and nothing seems to be done about it.

Sophie Bromberg: So you mean from competitors? Okay.

eBay Member: No, it's not competitors. I'm not selling it.

Sophie Bromberg: So I mean why aren't we in the progress of. ...

eBay Member: It's just an illegal item. There's no such movie released.

Sophie Bromberg: There's no what?

eBay Member: There's no such movie that's ever been released.

Bill Cobb: So let me take this Sophie, and Rob, if you want to weigh in. So just to be clear, counterfeits are illegal and they are not welcome on eBay. Now, if there happen to be some that have come up there, if you could um, send us the specific information, I'm sure we'll pull those down right away. But, so there's, you know, sometimes something can slip through the filters or whatever. Rob, do you want to comment a little more?

Rob Chesnut: Yeah. You know, the challenge obviously, we don't know when movies are released. You know, we can't keep up with the release date of all the movies and therefore we don't know when a particular movie is actually a legitimate copy and when it's a counterfeit. Frequently, we're working with the production companies, who will send us a notice under our Verio Program, which we mentioned earlier. And then as soon as we get the notice from them, we'll take it down. Uh, but they may not be looking everyday.

eBay Member: Right.

Rob Chesnut: So when they send us something and take it down today, you know, a week later, we don't know if the movie's been released. And if they're not looking a week later, those same items may slip through. And I know that's frustrating for people because that does mean there's going to be some inconsistency. But, you know, the nature of the law and the nature of the large list of movies that's constantly getting released means there will be a little bit of inconsistency here. And by the way, on a personal note, if I can just mention Abby. Thank you, Abby. I just got your email on the. ...

Bill Cobb: Oh, there you go.

Rob Chesnut: Issue that you sent me (inaudible) . . . And I've sent it winging onto the team to take a look at it, but thanks for getting back to me.

Gray Briggs: Progress and action live during the broadcast. That's great, Rob. Thank you.

Bill Cobb: You're supposed to have your Blackberry off.

Rob Chesnut: Oh, I'm sorry. I couldn't resist. I had to check it.

Gary Briggs: All right. Well we have a number of questions that came in through email on excessive shipping. I'll just read one of them. I think it kind of speaks for the number of questions that we did receive. This one says:

Question # 14: **I noticed a number of sellers offering items for one to ninety-nine cents and building their profit totally into their shipping, handling and insurance. This hurts user confidence in eBay as an unfair advantage to sellers who are paying their fair share for eBay bandwidth and their final value fees.**

What are we doing able this? Bill?

Answer from Bill Cobb: So I'll and then Matt, if you want to weigh in, you know, we've had a lot of questions about Detailed Seller Ratings. This is one of

the reasons why we're doing Detailed Seller Ratings because the excessive shipping problem has moved up on eBay. So we have some things that we're working on. You know, we're about to release the total cost sort. When is that going to be, Matt?

Matt Halprin: I'm not sure but it's in this quarter.

Bill Cobb: Okay. Where buyers are going to be able to filter for uh, total cost on items, including shipping costs and we continue to evolve. We said this a few times in Town Halls. This is a complicated issue, but we are not giving up until this one is complete because this is not fair to buyers. It's not good for sellers. It's just not a good way to compete and we are continuing to crack down on this. Do you want to add anything, Matt?

Matt Halprin: Sure, yeah. I mean it's not a good buyer experience. It, we're obviously aware of it and there are a number of fronts. We started with some policy enforcement that's worked in some areas. feedback 2.0, like Bill talked about, one of the four seller ratings is going to tell us and buyers who's charging reasonable shipping charges and who's not. And you can imagine that the use of, you know, "Hey, who's charging less than a certain amount," or "Who's in the bottom 5% of Detailed Seller Ratings for excessive, you know, for shipping and handling charges?" That's really valuable information for us. And you can anticipate that we'll, we'll start to use that. So look for that. And then I'd say stay tune on the, you know, the one cent bins or something like that. We're talking about a number of things we're going to do there because we've got to make this problem go away.

Gary Briggs: That's great. We do talk about this a lot and there's a lot of action that's going on about this. Well let me take another call here. This is actually a phrase I just like saying. This is Annie in Hawaii.

eBay Member: Hi.

Gary Briggs: Hi, Annie. Welcome.

eBay Member: I've had a small problem with uh; I listed a (inaudible). ... Hermes (inaudible)... ... and it was a wallet.

Gary Briggs: (inaudible). .

Question # 15: And it was taken off of uh, it was taken down. And they say I infringed, which was fine with me. I mean I was sorry I infringed but I did, I mean must have. I just forgot the whole thing and gave the wallet away to somebody. And I'm never going to list; I never listed one before and won't list one again. So then I listed, I had some Tiffany dishes. So I listed and they let me list one of them. But then when I tried to list the

second dish, it said I could only list one item. I mean they didn't say why, they just said I couldn't list it. So I have written two or three times to Trust & Safety and I finally wrote to Bill, and he said, "Get in touch with the Hermes people." Well, I'm through with that. I don't, I mean I believe them if I infringed. But now I want to be, somehow getting off the hook here.

Gary Briggs: Okay. Well, um, that certainly gets to one of the things we've looking at as it relates to trademarks and different, different brands. I think Matt you can definitely speak to this.

Answer from Matt Halprin: Sure. Yeah, I mean this is a complicated area. I mean we all can't know um, all the laws and rules and who owns what trademarks and copyrights, so it can be tricky. You know, I will reinforce something that Bill said and made very clear, which is counterfeits have no, have no place on eBay. That doesn't mean that anybody intentionally does this and I trust that that was not the situation in your case.

What's happened here is that for, you know, for certain items that are favored by counterfeiters, we have put in some restrictions to help us get rid of potential counterfeiters on the site. And some of the names that you've mentioned are ones that are favored by counterfeiters and we do put more restrictions on those types of items. So sellers who may have bumped into trouble in those areas um, uh, you know, we're going to ask that you not sell more than a certain number and in a certain period of time. Like, you know, in a week, you know, maybe one item or five items or ten items or something like that, depending on the particular good that you're trying to sell, but for other goods it's fine. You can sell as many as you want. But for what we would call items that are favored by counterfeiters or counterfeiters or high risk items, we have put heavier restrictions in place. We have put a requirement to get verified by PayPal. We have eliminated one day and three day auctions. We've taken a number of steps.

And this goes to really what Bill was saying at the very beginning about, you know, we've had to take a more proactive roll in the marketplace and it sounds like that has impacted you to some extent. And so if you want, feel free to email me afterwards at M Halprin, M-H-A-L-P-R-IN mhalprin@ebay.com, and I'll be happy to have someone take a look at your account and see if there is anything we can do. But in general for you and for the listeners, for certain types of items that counterfeiters love, we have put in place more restrictions and you should expect a little friction as a result.

eBay Member: Would there be any way I could get a list? So I would never list anything like that?

Matt Halprin: Yeah, I'm not sure. .

eBay Member: You know I'm just be-bopping down the road. I just want to make everybody happy.

Matt Halprin: Yeah. That's a reasonable. ...

eBay Member: I want to make everybody happy and everything. I would have never bought the dishes. I didn't care if I was selling the wallet.

Matt Halprin: Yeah. And that's a very, that's a reasonable question. It's not something that we've chosen to provide yet for a variety of reasons, to both to tip our hands with professionals with professional bad guys, which there are some out there and also, because what we do changes kind of week to week. And so we probably won't be, at least today, we haven't decided to publish where we are on that or a list in any point in time, but I think we may be able to help you still. So if you send me a note, I'll make sure someone follows it up with you.

eBay Member: Okay.

Gary Briggs: All right. Well Annie, thanks very much for your call. I would, I'd say just saying Hawaii makes me happy. So you're definitely making everybody happy.

Now one of the other questions, we had a discussion before about excessive shipping, this is kind of in that same vein. This is a question about changing shipping terms. It says:

Question # 16: Currently eBay has no policy addressing sellers who want to change shipping methods after a transaction has been completed. The seller outlines their choice of shipping in the listing and if the buyer wants to switch to a cheaper method, they're left with no choice and must follow the terms as stated by the seller. Buyers are constantly reminded that they are required to agree to the sellers' terms as stated in the auction. But if a seller charges a buyer for one shipping method and ships using less expensive and slower shipping methods, the buyer seems to have no protection from eBay. Could eBay please equal the playing field and require sellers to adhere to their own terms listed in their auction, just as they require buyers to accept seller's terms? It's frustrating for a buyer to pay for overnight shipping and realize the seller has shipped using a cheaper and slower method.

Interesting question. Matt?

Matt Halprin: Yeah, actually I'm going to ask Steve Oglethorpe.

Gary Briggs: Oh, Steve. Okay.

Matt Halprin: On the Trust & Safety Team, to handle that one.

Gary Briggs: Hey, Steve.

Answer from Steve Oglethorpe: Sure, happy to. Hi, Gary. Actually, that's a great question. And um, fundamentally, we um, require both sides of the transaction to comply with the terms of the transaction. When you, when a seller list something for sale on eBay and a buyer bids successfully on it and buys it, um, they made what I would call a deal, and what are our attorneys tell me, it's actually called a contract. And that contract then, governs what is expected of both parties. You know, the buyer is expected to make payment and the seller is expected to accept that payment and deliver the item. And what we what we ask of Community is to tell us when that doesn't happen.

This is where I think we get back to what Brian was talking about with the detailed seller ratings as being critical. So you cannot only as a buyer leave a negative or a neutral assessment in feedback, but now you can also tell us specifically what was it about the transaction that felt unfair to you? You can say, "The seller didn't actually um, agree to their shipping terms. They changed it after the seller and I had formed a contract." And based upon that, we actually look at this and say, "Fundamentally, if the Community is telling us that there is a chronic problem with this seller not meeting their terms of the contract, we can take action on them under the Seller Nonperformance Policy.

Gary Briggs: That's great. That's a great answer. Brian, you want to add something?

Brian Burke: I just want to add one other point. The nice thing about Detailed Seller Ratings, which launch tomorrow, is the buyer now has the opportunity to rate the seller overall satisfied with the transaction with a positive, but then rate the seller very low, like a one or a two, on both the shipping time and the shipping and handling charges that the seller charged, because the seller did not perform the way that they described in the description.

Matt Halprin: Yeah, and if the seller, you know, if this happens once, it's possible it's quite intentional it sounds like an intentional practice. Buyers using the, you know, leaving a one or a two on shipping and handling charges, you know, enough of them will, enough buyers will do that. And we'll start to see a pattern of that very easily and that will allow us to take a different kinds of action there, so.

Gary Briggs: Good.

Matt Halprin: And please remember that why you can leave a positive, neutral or negative feedback and the seller will see that, what the buyer leaves there. If a buyer chooses to leave you know, three fours and one one, the seller

won't know which buyer left what or anything and so, the buyer, as buyers, we should all feel comfortable leaving completely honest Feedback without any fear of retaliation when it comes to the Detailed Seller Ratings.

Gary Briggs: Yeah, I think that's great news for everybody. I mean that's what one of the powerful parts about the new feedback system. Well, let me just, I have a question I want to ask you guys in a second but let me just give the phone number one more time; 877-474-3302. And we got an email. It's related to what we were just talking about. What we call feedback 2.0, inside eBay.

Question # 17: In the pilot countries, did the negative feedback rates change before and after Detailed Seller Ratings were put into place? And did any business actually move to the higher rated sellers?

I think what is basically looking, is how did, how did the additional information really kind of change the outcome for sellers?

Answer from Brian Burke: So in the eight weeks that the pilot has been going on, we've been looking at the lead feedback rates. We were a little bit nervous that we're adding four additional questions to the lead feedback flow and we thought it might be disruptive. We saw no decrease in feedback being left and you know, the eBay feedback system, 4million plus get left in a day, in the eight week window that we've seen so far. There hasn't been a big change in the positive or negative mix. So we haven't seen any changes there. We did see a decline in conversion rates for those sellers with ratings below three.

Gary Briggs: Right. And I think that's again part of the idea here, is to give more information to everybody.

Matt Halprin: Yeah, and actually since the business has held up well, what that really means is that we saw an increase in conversion rates (inaudible). ...

Gary Briggs: Yes. Good point.

Matt Halprin: Above that level.

Gary Briggs: That's right. That's exactly right. It's not like the business is going um, you know, off of eBay. It's going to better sellers, which is wonderful. Well here's a question about Member IDs which is:

Question # 18: You have implemented security measures that hide bidders for auctions over two hundred dollars, do you have any plans for changing that amount to either increase or reduce the number of auctions effected and what further refinements are you planning to make to what we call Safeguarding Member IDs?

Bill Cobb: What a timely question?

Rob Chesnut: What a timely question? It's Rob again.

Gary Briggs: Hey, Rob.

Answer from Rob Chesnut: And we do plan to put out a couple of refinements. In fact, we're doing it today. Some of you may not have gotten over to the announcement board yet, but we just announced a few changes to Features. We got a feedback from a number of folks in the community about what they'd like to see and we found that there were a few changes we could make relatively quickly.

Even though the Features has only been out for a few months, but a few thing we wanted to change right away. One, we got feedback that people love to use the Search by Bidder Feature to find items. And so what we did, we now enabled the Search by Bidder Function for transactions under two hundred dollars. So that doesn't in any way compromise what we're doing to protect the user ID of bidders and higher dollar transactions. But it does enable people to do what they've been use to do on eBay and that is, you know, use the Search By Bidder Function to help them find cool items on eBay.

The next thing we've done is now sellers can use the Advance Search Feature to research potential buyers. They're going to be able to do the Advance Search Feature to do full research on current bidders for a 48-hour period after the bid is placed. And they're also going to be able to research the activity of any member who sends them an Ask Seller a Question email or who uses the Best Offer Feature again, within that 48-hour period. So this is going to give sellers more leeway and more ability to research information about people with whom they are thinking about doing business with, which is pretty good.

Third, we are also going to extend the Safeguarding Member IDs on listings with a reserve or buy-it-now over two hundred dollars. If a bidder bids on a listing where the reserve or buy-it-now is above two hundred, their ID is going to be anonymized just as if they had placed a bid over two hundred. And that made a lot of sense. What we found was in some of those cases, bidders that bid early in those auctions were being targeted by scammers and this gives them an extra level of protection.

One other thing that what we're going to do, the Best Offer Feature was becoming a target and therefore, the anonymous bidder, we're going to do something with the Anonymous Bidder IDs for Best Offers. They are no longer going to be fully displayed to viewers. The last part of their ID is going to be hidden by asterisks. However, the seller is going to be able to see the ID in full. So we're taking a slightly different approach here. Instead of hiding the entire

bidder ID, we're just going to hide the last three letters with an asterisk. You know, we're exploring here.

Bill Cobb: Yeah, I think that's great. I think those are great steps.

Rob Chesnut: It's an evolution. We want to protect our best buyers. We want to protect them from the scam emails. The initial Safeguarding Member ID Project was a great one and we've seen some terrific results. It has had a significant impact on the number of fake second chance offers. But you know it's not as much fun.

Bill Cobb: Right.

Rob Chesnut: As I'd like for it to be. And the team is committed to making some more changes. We're by no means done with this. We're going to be exploring other ways to make the feature more fun and more user-friendly. And we're going to explore all the ways where we can be just as successful with the Trust & Safety angle, while still doing the right thing for the bidders in the Community.

Gary Briggs: I think that's such an important point, is to have people understand the types of conversations that go on inside, you know, as we think about what we're going to do and make calls on, you know, policy changes and changes on the site. It's, we recognize there's a balance about the safety and sometimes the fun and we work that as we go, and I think that's a good example of improving as we go. It's terrific.

Well, we've got about ten minutes left. Again the phone number is 877-474-3302. And we have another caller on the line here and hopefully, I'm going to get this town right. This is Ruth, in Westerscher, Ohio. Ruth?

eBay Member: Well, that was close.

Gary Briggs: Darn.

eBay Member: Worchester, Ohio.

Gary Briggs: Pardon?

eBay Member: It's Wester, Ohio.

Gary Briggs: Oh, Worchester

eBay Member: Yeah.

Gary Briggs: I know Worchester. There you go.

eBay Member: Yeah.

Gary Briggs: Huh.

Question # 19: Yeah, I had a question whether or not eh, either for Rob or Matt, whether or not they could setup a trust for the safety tutorial for all the new sellers and new buyers to take before they'd ever be able to use eBay?

(laughter)

Matt Halprin: Yeah, sure. This is Matt. I'll take this one.

Gary Briggs: Yeah, take it Matt. This is one we do talk about.

Matt Halprin: Yeah. We have talked about it. The Trust & Safety Department, yeah, we sit around and say, "You know, how can we get everyone required to take a tutorial before they start on eBay and when we have our hats on and we're focused on Trust & Safety only, I think that would be a good thing. What we, however, uh, we don't want to introduce friction or requirements unnecessarily to lots and lots of good users, especially with users who have other places to go on the internet. Let's take buyers for example, who can buy from you know, Amazon or Best Buy or anywhere else. And if all they want to do is give somebody money and get in and get out, you know, making them take a test and you know, go back to school, may not be the best way to do that.

eBay Member: Uh-huh.

Matt Halprin: And so we have, we have resisted that. Now what we do have is, we actually just launched a new policy Hub Page and towards the bottom of that page, if you go to the policy, if you go to the Security Center, which is a link at the bottom of every page.

eBay Member: Yes.

Matt Halprin: Click there and we've got a bunch of tutorials. We've got probably six or seven tutorials that are there about how to buy, if you're a buyer, how to buy safely, avoid getting spoofed.

eBay Member: Uh-huh.

Matt Halprin: And if you're a seller, how to comply with a number of our different policies, so it is available to people to who want to take it. We won't require it of buyers and we won't require it of sellers either, unless they seem to have trouble complying with policies over and over again. At which point, we

actually at some point, begin to require that a seller take it a tutorial in order to continue listing on eBay. That's something we started about a year ago.

eBay Member: I think the special highlighted thread that you have on Trust & Safety in particular, are helpful but it's always after the fact. When somebody is in there, they're looking at it, they've already had a problem.

Matt Halprin: Yeah. No, you're right. And there is actually one place where we do it upfront.

eBay Member: Um-hm.

Matt Halprin: Which someone just reminded me of, which is if you're under, if you have under ten feedback and you're going to leave feedback and you're going to leave a neg or a neutral for the first time, we ask, we intercept you with a tutorial about how the feedback system works.

Ruth. I have heard about that, yeah.

Matt Halprin: Yeah. And so we do that there.

Gary Briggs: Well, that's great. Well we have about five minutes left and I appreciate your call. We just want to get to a couple more questions. We had a number of questions about just our sellers, sellers basically saying:

Question # 20: **Look, I'm trying to comply with the regs or the listing practices on eBay and sometimes something happens. I get caught." And the question really is, "Why is it the practice of eBay to delete a listing which has been improperly instead of at least sending the listing to the person?**

That's a couple questions we got. Sarah, you want to answer that?

Answer from Sarah Brubacher: Yeah. Hi, so this is Sarah. So if I understand the question, we do, folks get frustrated because when we end a listing, we actually remove it from the site. And there are a number of members who say, "Wow, you know, had I known about that policy, I would have done it correctly the first time I listed it," and, "Wow, its sure going to take me a long time to recreate this listing." So one of the things we've been looking at is the ability to capture a listing in My eBay, once we take it down and give folks a second chance to get out there and make a change. So thank you. That is something we have been discussing and I hope we'll be able to deliver that to you pretty soon.

Gary Briggs: That's great. Well thanks, Sarah. Well we have another question. I think this will probably be our last one. We're running short on the time here. This is about VeRO:

Question # 21: How do I contact copyright holders such as Microsoft, which is a big company obviously, who is having my listings removed in error through the VeRO Program?

Rob, you want to take that?

Answer from Rob Chesnut: Yeah, it's Bill G., at Microsoft. I think that's right. No, that's a...

Bill Cobb: I hear this question all the time.

Rob Chesnut: No, yeah, it's a great question. And what we do is we strongly encourage the rights owners to provide contact information where they can be reached in case there's a dispute. And you'd be surprised, there are hundreds and hundreds of rights owners that have created an About Me Page on eBay, a free page where they talk about why they enforce their rights on eBay and what's sorts of problems they typically see. And many of these About Me Pages actually have a contact email or phone number where people can go and raise their concerns. I don't know whether Microsoft has a contact email on their particular About Me Page, but you can look. And you can actually go I believe, I won't try to remember, but there's a place on eBay where you can search About Me Pages, and there's actually a place in the Rules and Policy Section, there's a link to the About Me Pages of all of the VeRO owners. So if you can track that down on the site and if somebody needs it, you can send me an email and I'll find it for you.

I would start by going to the About Me Page of the rights owner. If that doesn't work, I would write back to Support in these situations, and let eBay know that you disagree with the rights owner's report in this case. That's important for us to know, that you believe that what you're doing is actually correct. If you're a power seller and you got a rep that you work with, tell them about it. And frequently, we can go back in our files and try and find a good contact for a particular seller or a particular rights owner. And there have actually been a couple rights owners that refuse to do this. I know there was one that we through out of the program, simply because they generated a lot of complaints and they wouldn't answer questions. And you know, in cases where a lot of folks are having a problem, we'll do that. So but, get back to eBay, tell us that you're having a problem, that's the first step and then we'll try, we'll do our best to try and help you get in touch with these folks.

Gary Briggs: Well, that's great. Well, look, thank everybody for their questions that we've received today and obviously, for the folks here at eBay for answering them. Bill, do you want to say a couple things before we close?

Bill Cobb: Yeah, just in closing, uh, this is always helpful to us. It's always fun to do the Trust & Safety panel. There's always interesting, fascinating questions. Um, and it helps us and I know it helps Rob and his team look into some things and we'll try to follow up on a couple of those specific issues.

Now I do want to talk about a couple of events coming up. 45 days away for eBay Live, in Boston. All of you on the east coast make sure you sign up, June 14 - 16. And I do think that it is going to be a very special eBay Live this year, so I do encourage a lot of you to attend. That's a little teaser. It's going to be a lot of fun. It's going to be the usual stuff but I think this is going to be a very special eBay Live.

Our next Town Hall and we do apologize for the delay. We hope to start this one on time, but our next Town Hall will be on May 23rd, which is also the night of the results show on American Idol. So we will be sure to schedule it so that we're clear of the Melinda Doolittle Coronation.

(laughter)

Well, Sanjaya is gone. He was my favorite but. Also at that Town Hall, we'll be reporting we're going May 15th, to Lumberton, New Jersey for a big celebration. So we'll tell you all about that as well. Thank you!

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