
Fourth Meeting - 16 December 2019

Presented by Wattpad Corp.

Allen Lau, CEO & Co-Founder
Wattpad is the world’s largest and most engaging social storytelling platform.

- 80+ million monthly users
- 4+ million writers
- 100% organic

- 500+ million story part uploads, with 500k new chapters added every day

- 23+ billion minutes of monthly engagement

- 200+ million comments per month

- 1+ billion data events collected daily

- 50+ languages
Wattpad has a global presence, but it’s not an internet giant.

- Founded in 2006
- <200 employees
- Headquartered in Toronto, with employees in New York, LA, UK, Hong Kong, Manila, Mumbai
- 80 million monthly users

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Wattpad

- 35,000+ employees
- 85 office locations across 35 countries
- 2.45 billion monthly users
- $576 billion market cap

Facebook

- 100,000+ employees
- 70 office locations across 50 countries
- 2+ billion users
- $927 billion market cap

Google

- 600,000+ employees
- 30+ office locations across 30 countries
- 100 million Prime users
- $867 billion market cap

Amazon
Today, Wattpad is a global entertainment company. apps, books, tv shows, movies
Our vision:

To entertain & connect the world through stories.
Wattpad is the place to write, share, and read original fiction.
A truly global platform

- 13 million US
- 1.3 million Canada
- 2.6 million Mexico
- 1.2 million Spain
- 1.4 million Italy
- 1.7 million UK
- 400,000 Netherlands
- 4.2 million Turkey
- 3.2 million Brazil
- 7.2 million Philippines
- 6 million Indonesia
- 1.7 million India
- 4.9 million Vietnam
- 1 million Russia
- 1.7 million France
- 1.5 million Germany
- 1.2 million Spain
- 1.3 million Canada
- 1.7 million UK
- 400,000 Netherlands
- 4.2 million Turkey
- 3.2 million Brazil
- 7.2 million Philippines
- 6 million Indonesia
- 1.7 million India
- 4.9 million Vietnam
- 1 million Russia
- 1.7 million France
- 1.5 million Germany
Wattpad x EU
Audience Engagement

9.2M unique monthly users

50M unique story uploads

87% of the community is female*

*of those users who stated a gender
With partners around the world, many of them in the EU

From LA to Munich to Seoul - Wattpad Studios partners with global entertainment companies to get Wattpad stories into development, transforming how the global entertainment industry finds and develops the next great idea.
Copyright & Wattpad
Wattpad aggressively enforces copyright across its platform

**DMCA**
Can be submitted online from the desktop site, mobile web and from the Wattpad app

Actioned by in-house copyright team within one business day

**Non-DMCA**
Any user can report 'published' works that are available for sale. Typically with an ISBN or ASIN. For example: Harry Potter infringements will be removed

Actioned within a maximum of three business days
Reporters of non-confirmed infringements will receive education on copyright

**Ambassadors**
70 trained and dedicated Copyright Scouts search for copyright infringements on Wattpad in all languages and territories

Copyright Scouts are trained to remove copyright infringements on the spot
How Wattpad handles takedown requests

Wattpad removes a story due to notice and takedown

- Story Creator
  - Files a counter notice
  - Accept

- Rights Holder
  - Accept
  - Retract Takedown
  - File a lawsuit

Story stays removed
Story restored
Using machine learning models focused on text is an order of magnitude more difficult than images or videos

- Wattpad has attempted to integrate machine learning models into its suite of copyright tools, but it is far more challenging to create a text moderation machine learning model than image or audiovisual moderation.

= It takes 1 minute to read 250 words (half a page) relating to a Story of a Dog.

However only an Estonian Speaker is able to understand, interpret, and compare a story written in Estonian.

= It takes 1 second to evaluate a picture of a dog.

Speakers of any language can all see, understand, interpret, and compare any picture.
Text moderation is very different than video and image moderation

<table>
<thead>
<tr>
<th>TEXT Machine Learning</th>
<th>VIDEO &amp; IMAGE Machine Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Few organizations, and very little academic research, tackling this issue</td>
<td>Many organizations, and extensive research, tackling this issue</td>
</tr>
<tr>
<td>Would require <strong>24 Machine Learning Models</strong> (one for each Language in the EU)</td>
<td>Would require <strong>1 Machine Learning Model</strong></td>
</tr>
<tr>
<td>Best Text Models consistently achieve only ~70% accuracy(^{(1)})</td>
<td>Best Image Models consistently achieve ~95% accuracy(^{(2)})</td>
</tr>
</tbody>
</table>

(1) Wattpad’s Chief Data Scientist
(2) [https://www.theguardian.com/global/2015/may/13/baidu-minwa-supercomputer-better-than-humans-recognising-images](https://www.theguardian.com/global/2015/may/13/baidu-minwa-supercomputer-better-than-humans-recognising-images)
Conclusions

- It is technically impossible to implement an effective copyright filter for text
  - We are one of very few platforms that deals with text, and we are at the cutting edge of applying machine learning to text

- A mandatory licensing regime is not an effective technical solution for text-based machine learning models
  - Only internet giants, the government, or other large organizations potentially have the technical capability to operationalize a central repository
  - Even with a central repository that includes every piece of published work in every language, we can only anticipate a model that is, at best, 70% accurate

- Wattpad aggressively pursues copyright infringement
  - The current practices are effective and efficient at ensuring copyrighted material is removed from the platform
  - We have partnered with some of the largest media companies in the world, including many in Europe, and those relationships are premised on the rigorous protection of intellectual property
Thank you