

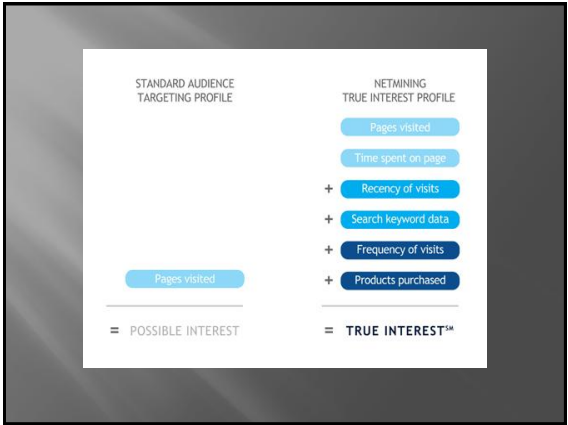


## CONSUMER PRIVACY IN THE DIGITAL MARKETPLACE: FEDERAL INITIATIVES

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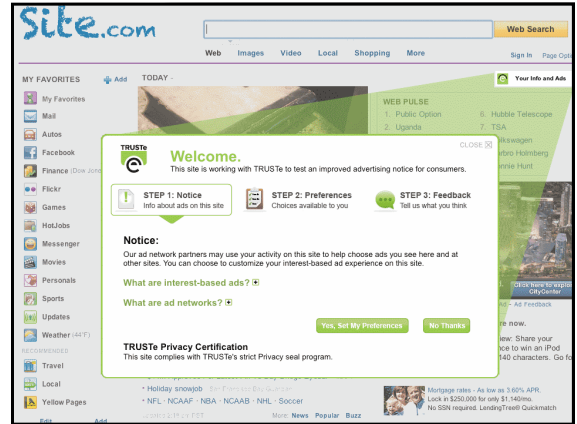
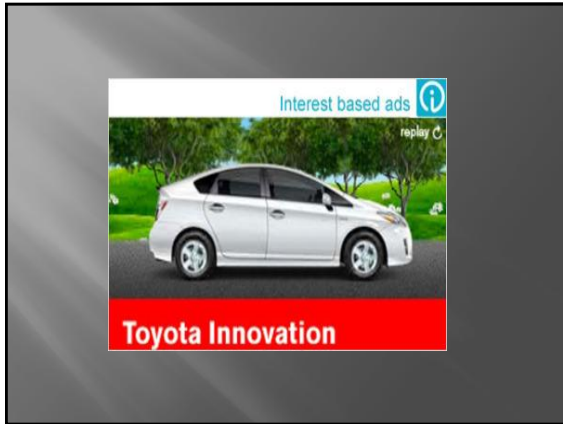
- ### “Sectoral” Privacy Laws
- Children’s Online Privacy Protection Act, 15 U.S.C. 6501-6506 (1998)
  - Fair Credit Reporting Act, 15 U.S.C. 1681 (1970)
  - Gramm-Leach-Bliley Act, 15 U.S.C. 6801-6809 (sharing of financial information) (1999)
  - Federal Trade Commission Act, 15 U.S.C. 45 – prohibits “unfair or deceptive acts or practices” (1914, amended in 1938)

- ### 2009 Survey: Americans Reject Tailored Advertising
- 68% would not allow marketers to follow them on websites, even anonymously;
  - 69% feel there should be a law that gives people the right to access information that a website has compiled about them;
  - 92% agree that websites should delete all stored information about an individual upon the request of that person;
  - 63% believe advertisers should have to delete information about their internet activity.



- ### FTC Early Initiatives
- Websites that break their privacy promises can be liable for “deceptive trade practices”
  - Merger of Double Click and Abacus Direct was challenged by FTC but challenge dropped when company backed off plans to merge online and offline databases

- ### FTC Fair Information Practice Principles
- Notice
  - Choice
  - Access
  - Security
-



## Data Security Cases

- FTC settles case against Twitter June 2010
- Earlier cases held unreasonable data security measures is "unfair trade practice"

## FTC Privacy Policy Cases

- Sears 2009 case, FTC charged Sears with publishing misleading privacy policy that didn't tell consumers how they were collecting and disseminating info about them
- Gateway Learning case, FTC charged company with retroactively changing privacy policy without consumer consent (2004)

## Facebook Privacy Policies

- Facebook has changed its privacy policies in ways that frustrate some users
- Consumer Online Privacy groups have urged the FTC to sue Facebook

## Google - the next Facebook?

- Corporate motto is "Don't Be Evil"
- Google owns Double Click, Gmail, Checkout, YouTube, My Location Maps for Mobile
- Put together with Google Search = biggest data base of personal information ever



## Opt-Out v. Opt-In

- ❑ Many websites already allow consumers to opt out of information sharing or “manage their preferences”
- ❑ But consumer has to take initiative to reset privacy settings for each website they deal with
- ❑ Another way is “opt-in” where default would be information is not shared unless consumer expressly consents

## H.R. 5777, Consumer Privacy Bill

- ❑ Requires “opt-in” or express affirmative consent prior to disclosure of personal information to 3d parties, for monitoring of individual’s Internet browsing activities and for any material changes in privacy practices.
- ❑ Requires consumer access to their own information, ability to correct inaccuracies, and establishment of data security safeguards.
- ❑ Entities that participate in self-regulatory programs approved by the FTC would be exempt.