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FTC Approves iKeepSafe Program as COPPA Safe Harbor

by Ieuan Jolly, Partner and Nerissa McGinn, Partner

The Federal Trade Commission (FTC) has approved iKeepSafe as a self-regulatory "safe harbor" program under the Children's Online Privacy Protection Act (COPPA). The FTC's COPPA Rule requires, among other things, that online sites, apps, and services that knowingly collect personal information from children or that are directed at children under the age of 13 provide notice of their collection practices and obtain verifiable parental permission before collecting any information from users. The Rule's safe harbor provision invites industry participants to design selfregulatory oversight programs, which may then be implemented after FTC review, as well as a public notice and comment period. The iKeepSafe safe harbor program is the seventh program of its kind to receive FTC approval.

To be approved, safe harbor programs must provide protections "equal or greater than" those contained in the COPPA Rule. They must also incorporate effective enforcement mechanisms for online operators participating in the safe harbor programs as well as "effective incentives for operators' compliance with the guidelines" and "an adequate means for resolving consumer complaints." While all online operators remain subject to the FTC's enforcement authority, those that adhere to the guidelines of an approved

safe harbor program such as iKeepSafe are deemed in compliance with COPPA and essentially insulated from FTC enforcement action as long as they comply with program requirements. Participating operators are subject to the safe harbor program's review, and those that fail to comply are first subject to the safe harbor's disciplinary program rather than FTC investigation and enforcement actions.

Companies offering online services should seek guidance concerning COPPA compliance—even as to whether, as a primary matter, their site is "directed at" children for the purposes of the statute. While joining a safe harbor program reduces the risk of formal enforcement actions, companies need to ensure that they remain apprised of changes to the COPPA Rule and comply fully with both the law and safe harbor program guidelines.

For more information about data compliance strategies and using children's information, contact <u>leuan Jolly</u> (212.407.4810) or <u>Nerissa McGinn</u> (312.464.3130).

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Advanced Media and Technology Department

KENNETH A. ADLER	KADLER@LOEB.COM	212.407.4284
AMIR AZARAN	AAZARAN@LOEB.COM	312.464.3330
IVY KAGAN BIERMAN	IBIERMAN@LOEB.COM	310.282.2327
CHRISTIAN D. CARBONE	CCARBONE@LOEB.COM	212.407.4852
TAMARA CARMICHAEL	TCARMICHAEL@LOEB.COM	212.407.4225
MARC CHAMLIN	MCHAMLIN@LOEB.COM	212.407.4855
MARGARET CHARENDOFF	MCHARENDOFF@LOEB.COM	212.407.4069
PATRICK N. DOWNES	PDOWNES@LOEB.COM	310.282.2352
CRAIG A. EMANUEL	CEMANUEL@LOEB.COM	310.282.2262
KENNETH R. FLORIN	KFLORIN@LOEB.COM	212.407.4966
DANIEL D. FROHLING	DFROHLING@LOEB.COM	312.464.3122
NOREEN P. GOSSELIN	NGOSSELIN@LOEB.COM	312.464.3179
DAVID W. GRACE	DGRACE@LOEB.COM	310.282.2108
NATHAN J. HOLE	NHOLE@LOEB.COM	312.464.3110
MELANIE J. HOWARD	MHOWARD@LOEB.COM	310.282.2143
THOMAS P. JIRGAL	TJIRGAL@LOEB.COM	312.464.3150
IEUAN JOLLY	IJOLLY@LOEB.COM	212.407.4810
ELIZABETH H. KIM	EKIM@LOEB.COM	212.407.4928
LIVIA M. KISER	LKISER@LOEB.COM	312.464.3170
JANICE D. KUBOW	JKUBOW@LOEB.COM	212.407.4191
JULIE E. LAND	JLAND@LOEB.COM	312.464.3161
JESSICA B. LEE	JBLEE@LOEB.COM	212.407.4073
SCOTT S. LIEBMAN	SLIEBMAN@LOEB.COM	212.407.4838
DAVID G. MALLEN	DMALLEN@LOEB.COM	212.407.4286

MICHAEL MALLOW	MMALLOW@LOEB.COM	310.282.2287
KATHERINE MASON	KMASON@LOEB.COM	212.407.4898
DOUGLAS N. MASTERS	DMASTERS@LOEB.COM	312.464.3144
NERISSA COYLE MCGINN	NMCGINN@LOEB.COM	312.464.3130
ANNE KENNEDY MCGUIRE	AMCGUIRE@LOEB.COM	212.407.4143
DANIEL G. MURPHY	DMURPHY@LOEB.COM	310.282.2215
BRIAN NIXON	BNIXON@LOEB.COM	202.618.5013
SUE PAIK	SPAIK@LOEB.COM	312.464.3119
ANGELA PROVENCIO	APROVENCIO@LOEB.COM	312.464.3123
CHRISTINE M. REILLY	CREILLY@LOEB.COM	310.282.2361
KELI M. ROGERS-LOPEZ	KROGERS-LOPEZ@LOEB.COM	310.282.2306
SETH A. ROSE	SROSE@LOEB.COM	312.464.3177
ROBERT MICHAEL SANCHE	Z RSANCHEZ@LOEB.COM	212.407.4173
T.J. SAUNDERS	TSAUNDERS@LOEB.COM	312.464.3174
ALISON SCHWARTZ	ASCHWARTZ@LOEB.COM	312.464.3169
BARRY I. SLOTNICK	BSLOTNICK@LOEB.COM	212.407.4162
REGAN A. SMITH	RASMITH@LOEB.COM	312.464.3137
BRIAN R. SOCOLOW	BSOCOLOW@LOEB.COM	212.407.4872
WALTER STEIMEL, JR.	WSTEIMEL@LOEB.COM	202.618.5015
AKIBA STERN	ASTERN@LOEB.COM	212.407.4235
JAMES D. TAYLOR	JTAYLOR@LOEB.COM	212.407.4895
JILL WESTMORELAND	JWESTMORELAND@LOEB.COM	212.407.4019
DEBRAA. WHITE	DWHITE@LOEB.COM	212.407.4216
MICHAEL P. ZWEIG	MZWEIG@LOEB.COM	212.407.4960