

## Advanced Media and Technology Law ALERT

Advertising and Promotions Law



Several online advertising companies have agreed to change their practices as the result of inquiries by the Better Business Bureau regarding the companies' compliance with the Digital Advertising Alliance's Self-Regulatory Principles for On-Line Behavioral Advertising. In a statement May 30, 2012, the BBB, which administers the accountability program for the industry, made public the results of its formal inquiry into the data collection and use, and online behavioral advertising practices of seven companies. The organization identified alleged violations of four companies ranging from relatively minor issues with the wording of privacy policies to more serious problems, including defective opt-out links, failure to advise users of targeted advertising and opt-out options, placing tracking cookies after consumer opt-out and failure to honor consumer opt-out decisions for the five years required under the self-regulatory program.

Among other things, the OBA Principles require companies to provide clear information to consumers about their data collection and online behavioral advertising practices, and advise that they adhere to the OBA Principles, as well as to provide enhanced notice and choice to consumers when serving an interest-based ad, and to allow consumers to opt out of receiving targeted ads (although not out of data collection for other purposes).

The four companies, Turn, Blue Cava, DataXu and OxaMedia, agreed to implement the BBB's recommendations.

Turn, reportedly an active participant in the selfregulatory program, agreed to change its privacy policy to state more clearly that it follows the OBA Principles and to add a link to the consumer opt-out page on the DAA's AboutAds website (www.aboutads.info).

- According to the BBB investigation, Blue Cava's device identification technology gave it the capability to collect and use data across multiple devices in a household, but its privacy policy did not clearly explain this. The privacy policy also did not clearly state whether the company's consumer choice mechanism would opt the consumer out of data collection or targeted advertising across devices or just the device which the consumer used to effect the opt out, or what further steps the consumer would have to take to opt out for all other devices they use. Blue Cava agreed to revise its privacy policy to implement the BBB's recommendations, as well as research ways, if technically feasible, to provide a multi-device opt out.
- DataXu "promptly" fixed a defective opt-out cookie that failed to operate when consumers used Chrome, Firefox, Opera or Safari browsers, and agreed to take steps to ensure its opt-out cookie would remain functional and compliant with the OBA Principles.
- According to the BBB, OxaMedia was unaware of the self-regulatory program and, as a result, failed to comply with a number of the industry best practices, including that it set its opt-out cookie to expire in a year, rather than the five years required by the OBA Principles, and failed to provide enhanced notice about its online behavioral advertising and consumer choice when it served a targeted advertisement. After the BBB's inquiry and recommendations, the company agreed to add a statement to its website indicating that it adhered to the OBA Principles, agreed to license and use the DAA AdChoice icon and to provide the required

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enhanced notice and opt out, and agreed to extend the duration of its opt-out period (which had been one year) to five years.

The BBB closed its inquiries into the three other companies based on their representations that they were not currently engaged in online behavioral advertising.

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