

Advanced Media and Technology Law

Advertising and Promotions Law



FTC Issues Best Practices for Facial Recognition Technologies

Federal Trade Commission issued a report called "Facing Facts: Best Practices for Common Uses of Facial Recognition Technology," which provides privacy and security suggestions for companies that use or plan to use facial recognition technology. The report notes that the commercial use of facial recognition technologies is still young and that this creates a unique opportunity to encourage companies to protect consumers' privacy as they develop facial recognition products and services.

Facial recognition technologies have been adopted in a variety of contexts, ranging from online social networks and mobile apps to digital signs. According to the FTC's report, they have a number of potential uses, such as determining an individual's age range and gender in order to deliver targeted advertising; assessing viewers' emotions to see whether they are engaged in a video game or a movie; or matching faces and identifying anonymous individuals in images. These technologies also pose privacy challenges, including the ability to identify anonymous individuals in public and a susceptibility to security breaches and hacking.

The FTC staff report recommends that companies using facial recognition technologies:

- 1. Design their services with consumer privacy in mind.
- Develop reasonable security protections for the information they collect, and establish appropriate retention and disposal practices for consumers' biometric information and images they collect.
- Consider the sensitivity of information when developing their facial recognition products and services – for example, companies should consider carefully where to place digital signs equipped with cameras and avoid placing them in sensitive areas

such as bathrooms, locker rooms, health care facilities, or places where children congregate.

- 4. Take steps to make sure consumers are aware of facial recognition technologies when they come in contact with them and that they have a choice about whether data about them is collected. The FTC suggests that social networks using a facial recognition feature should provide users with a clear notice outside a privacy policy about how the feature works, what data it collects, and how they will use the data. Social networks should also provide consumers with (1) an easy-to-find, meaningful option not to have their biometric data collected and used for facial recognition and (2) the ability to turn off the feature at any time and delete any biometric data previously collected from their tagged photos.
- 5. Obtain affirmative express consent (1) before using consumers' images or any biometric data in a different way than they represented when they collected the data and (2) before identifying anonymous images of a consumer to someone who could not otherwise identify him or her. The FTC provided the example of a mobile app that allows users to identify strangers in public places, such as on the street or in a bar. If such an app were to exist, a stranger could surreptitiously use the camera on a mobile phone to take a photo of an individual who is walking to work or meeting a friend for a drink and learn that individual's identity - and possibly more information, such as his or her address - without the individual even being aware that his or her photo was taken. Given the

This publication may constitute "Attorney Advertising" under the New York Rules of Professional Conduct and under the law of other jurisdictions.

significant privacy and safety risks that such an app would raise, only consumers who have affirmatively chosen to participate in such a system should be identified.

The report states that to the extent the recommended best practices go beyond existing legal requirements, they are not intended to serve as a template for law enforcement actions or regulations under laws currently enforced by the FTC.

For more information about the content of this alert, please contact <u>leuan Jolly</u> or <u>Thomas Jirgal</u>.

This alert is a publication of Loeb & Loeb and is intended to provide information on recent legal developments. This alert does not create or continue an attorney client relationship nor should it be construed as legal advice or an opinion on specific situations.

Circular 230 Disclosure: To ensure compliance with Treasury Department rules governing tax practice, we inform you that any advice contained herein (including any attachments) (1) was not written and is not intended to be used, and cannot be used, for the purpose of avoiding any federal tax penalty that may be imposed on the taxpayer; and (2) may not be used in connection with promoting, marketing or recommending to another person any transaction or matter addressed herein.

© 2012 Loeb & Loeb LLP. All rights reserved.

Advanced Media and Technology Department

ENNETH A. ADLER	KADLER@LOEB.COM	212.407.4284	DOUGLAS N. MASTERS	DMASTERS@LOEB.COM
OBERT M. ANDALMAN	RANDALMAN@LOEB.COM	312.464.3168	NERISSA COYLE MCGINN	NMCGINN@LOEB.COM
LISA C. BERGSTEIN	ABERGSTEIN@LOEB.COM	312.464.3155	ANNE KENNEDY MCGUIRE	AMCGUIRE@LOEB.COM
Y KAGAN BIERMAN	IBIERMAN@LOEB.COM	310.282.2327	DOUGLAS E. MIRELL	DMIRELL@LOEB.COM
HRISTIAN D. CARBONE	CCARBONE@LOEB.COM	212.407.4852	DANIEL G. MURPHY	DMURPHY@LOEB.COM
MARA CARMICHAEL	TCARMICHAEL@LOEB.COM	212.407.4225	BRIAN NIXON	BNIXON@LOEB.COM
ARC CHAMLIN	MCHAMLIN@LOEB.COM	212.407.4855	DANIEL O'CONNELL OFFNER	DOFFNER@LOEB.COM
EG CHARENDOFF	CHARENDOFF@LOEB.COM	212.407.4069	ANGELA PROVENCIO	APROVENCIO@LOEB.COM
RAIG A. EMANUEL	CEMANUEL@LOEB.COM	310.282.2262	CHRISTINE M. REILLY	CREILLY@LOEB.COM
ENNETH R. FLORIN	KFLORIN@LOEB.COM	212.407.4966	KELI M. ROGERS-LOPEZ	KROGERS-LOPEZ@LOEB.COM
NIEL D. FROHLING	DFROHLING@LOEB.COM	312.464.3122	SETH A. ROSE	SROSE@LOEB.COM
REEN P. GOSSELIN	NGOSSELIN@LOEB.COM	312.464.3179	ROBERT MICHAEL SANCHEZ	RSANCHEZ@LOEB.COM
VID W. GRACE	DGRACE@LOEB.COM	310.282.2108	ALISON POLLOCK SCHWART	Z ASCHWARTZ@LOEB.COM
OMAS A. GUIDA	TGUIDA@LOEB.COM	212.407.4011	STEVE A. SEMERDJIAN	SSEMERDJIAN@LOEB.COM
THAN J. HOLE	NHOLE@LOEB.COM	312.464.3110	BARRY I. SLOTNICK	BSLOTNICK@LOEB.COM
LANIE HOWARD	MHOWARD@LOEB.COM	310.282.2143	REGAN A. SMITH	RASMITH@LOEB.COM
CHAEL W. JAHNKE	MJAHNKE@LOEB.COM	212.407.4285	BRIAN R. SOCOLOW	BSOCOLOW@LOEB.COM
IOMAS P. JIRGAL	TJIRGAL@LOEB.COM	312.464.3150	WALTER STEIMEL, JR.	WSTEIMEL@LOEB.COM
JAN JOLLY	IJOLLY@LOEB.COM	212.407.4810	AKIBA STERN	ASTERN@LOEB.COM
CHAEL RIDGWAY JONES	MJONES@LOEB.COM	212.407.4042	JAMES D. TAYLOR	JTAYLOR@LOEB.COM
LIE E. LAND	JLAND@LOEB.COM	312.464.3161	MICHAELA. THURMAN	MTHURMAN@LOEB.COM
SICA B. LEE	JBLEE@LOEB.COM	212.407.4073	JILL WESTMORELAND J	WESTMORELAND@LOEB.COM
CHAEL MALLOW	MMALLOW@LOEB.COM	310.282.2287	DEBRAA. WHITE	DWHITE@LOEB.COM
ATHERINE THERESE MASON	KMASON@LOEB.COM	212.407.4898	MICHAEL P. ZWEIG	MZWEIG@LOEB.COM