

A Guide To Complying With COPPA's New Privacy Rules

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What is COPPA?

- Enacted in 1998 by the FTC
- Title XIII:
 - Operators of web sites or online services
 - That collect PII from a child
 - Must provide notice on what is collected, how it is used & the disclosure practices
 - Must also obtain verifiable parental consent
- Penalties of up to \$16,000 per violation



What is PII?

- Any information about an individual maintained by an agency, including
 - (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and
 - (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.



The New COPPA Rules

- Went into effect in July, 2013
- First changes since 1998
- Required 4 years of discussion
- Intended to keep up with advances in technology



New Rule #1

- Expanded definition of “PII”:
 - Geolocation information
 - Photographs
 - Videos
 - Audio files
 - Screen names
- Previous list included:
 - Name
 - Postal Address
 - Phone number
 - Email address
 - IP address



New Rule #2

- Kid-directed apps and websites cannot permit third parties to collect personal information from children through plug-ins without parental notice and consent



New Rule #3

- Site operators and app developers can no longer collect persistent identifiers that can recognize users over time and across different online services, such as mobile device IDs



New Rule #4

- Businesses must take reasonable steps to release children's personal information only to companies that are capable of keeping it secure and confidential



New Rule #5

- Businesses must adopt reasonable procedures for data retention and deletion.



New Rule #6

- The FTC has strengthened its oversight of the approved self-regulatory “safe harbor programs”
- Requires them to audit their members and report annually to the Commission



How To Comply – Step 1

Audit your privacy policies

- What you collect
- What you do with it
- How you store it
- How long you keep it

How To Comply – Step 2

Implement parental approval mechanisms:

- Signed consent form
- Credit card or payment system
- Toll-free phone number
- Video conference
- Government issued ID

How To Comply – Step 3

Update your privacy policy to include:

- list of all operators collecting personal information
- description of the personal information collected and how it's used
- description of parental rights

How To Comply – Step 4

Honor parents' ongoing rights with respect to information collected from their kids:

- give them a way to review the personal information collected from their child;
- give them a way to revoke their consent and refuse the further use or collection of personal information from their child; and
- delete their child's personal information

How To Comply – Step 5

Implement reasonable procedures to protect the security of kid's PII:

- Minimize what you collect in the first place
- Release PII only to service providers capable of maintaining its confidentiality & security
- Get assurances they'll live up to those responsibilities
- Hold on to PII only as long as necessary
- Securely dispose of it once you no longer have a legitimate reason for retaining it.

How To Comply – Step 6

Take stock of any third parties:

- Ask what data they collect
- Ask what they do with the data
- Make sure they comply with COPPA
- If not, remove them until they do

Impact on Animoca

We had to review what it means for an app to be “directed to children”

- subject matter
- visual content
- use of animated characters or child-oriented activities and incentives
- music or other audio content
- presence of child celebrities or celebrities who appeal to children
- language or “other characteristics”

Impact on Animoca



Which Games are For Kids?



Proceed With Caution



Not Just in the US

- E-Privacy Directive (Europe)
- Personal Data Privacy Ordinance (Hong Kong)
- Act on the Protection of Personal Information (Japan)
- Data Protection Act 1998 (UK)
- Privacy Act 1988 (Australia)
- Personal Information Protection and Electronic Documents Act (Canada)
- Etc.

Q&A

Thank you!

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