

ALERTS AND UPDATES

UK to Focus Efforts on Regulating Online Advertising

June 8, 2010

The UK's Office of Fair Trading (OFT) entered the debate on online advertising by publishing its market study on May 25, 2010. The study signals the start of a new era in the UK for the regulation of such issues as cookies, online tracking and the use of spyware. The study finds that although industry self-regulation is working to some extent, more can be done to provide consumers with full information about personal information collected online.

The OFT plans to work with the online advertising industry to encourage providing clear notices and information about the ability to opt out. It considers that fair trading regulations may also give the OFT the power to take action against corporations that do not fully disclose their information-handling practices. Here the OFT's conclusions are notably similar to those drawn by the equivalent US regulator, the Federal Trade Commission. Additionally, the OFT will work with the UK's data-protection regulator, the Information Commissioner's Office (ICO), to enforce transparency under data-protection legislation.

The debate over the use of tracking tools on websites has been developing for some time. Many corporations use tracking software on their sites, and well-known social media sites rely on the revenue that online advertising brings to provide services free to consumers.

The end of last year saw a new European Directive that will likely result in new legislation in each of the 27 European Union member states. At the same time, the ICO recently completed its consultation on a new Code of Practice, which includes these issues.

For any business advertising online, or carrying advertising on its sites, transparency is likely to be the watchword. As it has become apparent that customers care about their online privacy and regulators are also showing interest, more activity in this area is anticipated.

About Duane Morris

Duane Morris lawyers act as counsel to the Computer & Communications Industry Association (CCIA) in their submissions to the UK data privacy regulator, the Information Commissioner, on his consultation to shape next-generation data-protection law in the UK. To learn more on the ICO consultation, please visit http://www.duanemorris.com/pressreleases/uk_data_compliance_3608.html.

For Further Information

If you have any questions this *Alert*, please contact [Jonathan P. Armstrong](#) in our [London office](#), any of the [members](#) of the [Information Technologies and Telecom Practice Group](#) or the attorney in the firm with whom you are regularly in contact.