Google Privacy Violation Alleged, Leads To FTC Settlement

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Google's business model is based on delivering relevant search results and, increasingly, relevant ads to those who use its products. In order to do so, Google needs to know a user's search history since search history and web site navigation offer important data about a user's interests.

As many people know, web sites use files known as "cookies" to track user movements/logins as they traverse the web. But web browsers such as Microsoft's Internet Explorer, Apple's Safari and others provide privacy controls that allow users to turn cookies on or off.

Apple's Safari is unique in this regard because its default setting blocks all cookies. This state of affairs made it difficult for Google to collect the information it needed to target ads. So Google developed a technological method of skirting the privacy settings on Apple's browser.

Enter the Federal Trade Commission (FTC) "which is monitoring Google's compliance with the company's privacy pledges under the terms of a settlement deal finalized in October." [CNN Money] That settlement related to an earlier privacy issue, but the monitoring component of the settlement gave the FTC the leverage it needed to negotiate a fine related to Google's more recent actions related to the Safari browser.

Google settled without admitting any wrongdoing, agreeing to pay a fine of \$22.5 million.

This case serves as a reminder to companies to check their privacy policies on a regular basis and make sure they are adhering to them. Those who don't may run into trouble with the FTC, which considers consumer privacy a key part of its consumer protection mission.

Bottom line, companies may want to focus less on information collection and more on developing a strong brand, with strong customer relationships and communications. http://bit.ly/O0yEX2

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