E-Cig Company Settles Online Behavioral Advertising Inquiry

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A Dutch e-cigarette company recently settled a self-regulatory inquiry over its online behavioral advertising practices. The Accountability Program (a US self-regulatory group that oversees online and interactive behavioral advertising) found that the company, Fontem, did not provide sufficient methods for individuals to opt out of online behavioral advertising (OBA). The Accountability Program enforces the Digital Advertising Alliance’s online behavioral advertising program. That program requires companies that engage in online behavioral advertising to provide both notice of their OBA practices, and the ability to opt-out.

The Accountability Program began its investigation after a consumer complained that the consumer could not find where to opt-out of behavioral ads. Missing from the website in question (http://www.blu.com/), the Accountability Program concluded, was a separate link that takes consumers directly to information about the site’s engagement in behavioral advertising (and how to opt out of those activities). Additionally, although the website had a privacy policy that talked about “cookies,” it did not explain how to opt out of behavioral advertising. In response, the company agreed to add a link to the bottom of its website called “Internet Based Advertising,” separate from its “Privacy Policy” link. This link will take consumers directly to a new section in the privacy policy that explains what behavioral advertising occurs on the site, and how to opt-out of behavioral advertising.

Putting it Into Practice: This case is a reminder that companies engaging in online behavioral advertising will be expected by the Accountability Program to have a stand-alone link on their websites that take users to information about behavioral advertising, and how to opt out. For more about what constitutes OBA and the DAA’s program, companies can read the DAA’s OBA Principles.

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