

# ADVERTISING, MARKETING & PROMOTIONS

>> ALERT

## NEWLY FORMED DIGITAL ADVERTISING ALLIANCE ANNOUNCES SELF-REGULATORY PROGRAM FOR ONLINE BEHAVIORAL ADVERTISING

On October 4, 2010, the Digital Advertising Alliance (DAA) – a joint project of the American Association of Advertising Agencies, the American Advertising Federation, the Association of National Advertisers, the Direct Marketing Association (DMA) and the Interactive Advertising Bureau – announced the launch of a cross-industry program for self-regulation of online behavioral advertising.

The Self-Regulatory Program (Program) is a follow up to the *Self-Regulatory Principles for Online Behavioral Advertising* (Principles), developed by leading industry organizations in July 2009, and centers on the use of the Advertising Option Icon. The icon consists of an “i” inside a triangle pointing to the right, resembling a “play” button. Participating companies will display the icon on online advertisements or web pages to alert consumers to the use and collection of data for behavioral advertising purposes. By clicking on the icon, consumers will be able to access disclosure information about the participating companies’ data use and collection practices, and they can opt-out of behavioral targeting.

As the Program expands, consumers will be encouraged to visit the DAA’s website, [www.AboutAds.info](http://www.AboutAds.info), which will function as a centralized portal

for information on online behavioral advertising. The website will eventually provide consumers with the ability to manage privacy control settings and opt-out of some or all of the participating companies’ online behavioral ads. Beginning in 2011, the Council of Better Business Bureaus (CBBB) and the DMA will monitor and enforce compliance with the Program and will manage consumer complaint resolution. The CBBB and DMA have designated Better Advertising Project as the Program’s first approved technology provider for compliance services, and they will use its technology to monitor and report on the industry’s compliance with the Principles. As of Fall 2010, the Network Advertising Initiative (NAI) will begin to participate in the Program’s consumer opt-out mechanism, but it is unclear how the existing NAI opt-out process will be implemented in connection with the Program.

### THE BOTTOM LINE

Advertising industry associations recently joined forces to create the Digital Advertising Alliance, which just launched a self-regulatory program for online behavioral advertising. The program aims to alert consumers about data use and collection practices, and will eventually provide consumers with the ability to manage how their data is used for behavioral targeting.

In conjunction with the announcement of the Program, the DAA released an Implementation Guide, which can be found on the DAA’s website. The guide provides significant additional detail (not present in the Principles) on how companies can implement

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the Principles through participation in the Program. For more information on the Program, visit [www.AboutAds.info](http://www.AboutAds.info).

This project by the DAA is in response to repeated prodding by the Federal Trade Commission (FTC) for the industry to better regulate itself when it comes to matters involving data collection, use and consumer privacy. The FTC has stated that:

- >> it believes that more transparency is needed in the marketplace;
- >> consumers are unaware of how their data is being used in new business models;
- >> data is being used beyond the initial expectations of consumers when the data was first collected; and,
- >> privacy policies do an inadequate job of providing consumers with clear and concise disclosures and options.

The FTC, while at times stating its support for a self-regulatory approach to these issues, has consistently warned the industry that a failure to properly self-regulate would likely mean a push for new legislation to regulate these issues. U.S. Representatives Rick Boucher and Bobby Rush have each drafted privacy bills that, among other things, would regulate the practice of behavioral advertising. As these bills make their way through Congress, the DAA will no doubt argue that its program, if successful, will lessen the need for further government action with respect to behavioral advertising.

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