

# FTC Settles with Mobile App Developer Over Alleged Privacy Violations

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On August 15, 2011, the FTC announced a settlement with W3 Innovations, LLC (“W3”) and its President over charges that the company violated the Children’s Online Privacy Protection Act (“COPPA”) when W3 allegedly collected and disclosed personal information from tens of thousands of children without their parents’ consent. The [settlement](#) requires W3 and its president to pay \$50,000, and they must delete all personal information collected in violation of COPPA. The case marks the FTC’s first action against a mobile applications (“apps”) developer.

W3 Innovations, which does business as Broken Thumbs Apps, develops and distributes apps including Emily’s Girl World and Emily’s Runway High Fashion (the “Emily Apps”), which are sold through the “Games-Kids” section of Apple, Inc.’s App Store. According to the FTC Complaint, the Emily Apps encouraged children to submit emails, including messages to friends and requests for advice, that were then posted as publicly-available blog entries to the “Emily’s blog” feature available on all Emily Apps sites. Children also could submit comments in response to the blog entries using a standard comment form that required users to provide their name and email address.

The FTC’s COPPA Rule (16 C.F.R. Part 312) is triggered when companies collect online personal information about children under the age of 13. The Rule requires website operators to notify parents and obtain their express consent before they collect, use, or disclose such children’s personal information. The Rule also requires website operators to post a clear and conspicuous privacy policy at each area of an online site that collects personal information from children. The FTC alleged that W3 violated COPPA when it did not obtain parental consent before it (1) collected and maintained at least 30,000 email addresses from children who participated in the “Emily’s blog” feature; and (2) allowed children to publicly post information, including personal information, to the blog and comments section of the app.

As this case demonstrates, the FTC is following through on statements [that it made earlier this year](#) that it was actively investigating a number of privacy issues associated with mobile devices, including features targeting children. Given the FTC’s interest in this area, companies seeking to enter the mobile app market or engage a younger audience using games or other online features should be aware of the key considerations and best practices (see [here](#) and [here](#)) that can help reduce risks resulting from increased legal and regulatory scrutiny.

*This post was written by [Alysa Z. Hutnik](#).*