

Google's DoubleClick Deal Brings Greater Focus on Privacy

Google deal prompts Federal Trade Commission to recently propose a set of privacy principles for online behavioral advertising.

by [Leslie Harris](#) [1]

December 21, 2007 Originally appeared as [Google's DoubleClick Deal Brings Greater Focus on Privacy](#) [2] in ABC News

Nearly lost in the news about the U.S. Federal Trade Commission's approval on Thursday of Google's acquisition of DoubleClick was another action by the agency: the publication of a proposed set of privacy principles governing online behavioral advertising.

The release of the privacy principles is an important and welcome step, said Peter Swire, a senior fellow at the Center for American Progress, a liberal think tank, and a law professor at Ohio State University. Although some privacy groups blasted the FTC for approving Google's DoubleClick deal, the acquisition has helped place focus on the entire online advertising industry's privacy practices, Swire said.

"It's good that the FTC is shining a spotlight on this industry," Swire said Friday. "Online advertising is in its second boom. They're trying lots of new techniques; some of those techniques have privacy problems."

The FTC hosted a workshop on behavioral advertising and privacy in November. The agency's proposed privacy principles, a series of "self-regulatory" steps the FTC is recommending for online advertisers, come in part from that workshop.

Among the FTC's proposals:

- Web sites that collect information for behavioral advertising should provide a "clear, consumer-friendly, and prominent statement" about the reason for collecting that data. Consumers should be able to choose whether they will allow that information to be collected.
- Any company that collects or stores consumer data for behavioral advertising should provide "reasonable security" and should keep data only as long as necessary to fulfill legitimate business or law enforcement needs.
- Companies should only collect sensitive data for behavioral advertising if they obtain express consent from the consumer.

The Center for Democracy and Technology (CDT), a group focused on online privacy and civil liberties, also praised the FTC for releasing its privacy principles. The principles are a "clear sign that the commission does not believe that the industry's current self-regulation framework is sufficient to protect consumers today," CDT Deputy Director Ari Schwartz said in a statement.

CDT also called on Google to "step up and make a clear, public statement about its plans for proactively protecting consumer privacy." Consumer privacy in the behavioral advertising market remains an industrywide concern that requires the focus of consumers, policymakers and companies, CDT said.

The release of the privacy principles should send a signal to online advertisers, said Leslie Harris, CDT's president. "In releasing these principles, the FTC hasn't closed the door to other options," she said in a statement. "Self-regulation is part of the solution for protecting consumer privacy, but

clearly self-regulation hasn't lived up to its promises. ... We'll need a rigorous mix of self-regulation backed by regulatory enforcement."

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Other privacy groups criticized the FTC for its ruling allowing Google's acquisition of DoubleClick to move forward. The agency had reason to act on privacy concerns raised by the merger and failed, said Marc Rotenberg, executive director of the Electronic Privacy Information Center (EPIC), one of three privacy groups that asked the FTC to block the merger or impose privacy conditions.

The FTC could have established "the necessary safeguards for personal data and competition that could have allowed a global [privacy] framework to emerge," Rotenberg said. "[The FTC's] sole purpose is to protect the public interest. It failed to do so ... in a case that will have far-reaching implications for the Internet economy and the privacy rights of American consumers."

Joseph Turow, a communication professor at the University of Pennsylvania, agreed. The European Union is still investigating the Google-DoubleClick deal, with a decision not due until April, and it is likely that regulators there will take a harder look at privacy issues, he said.

Consumer tracking and privacy should be part of the FTC's antitrust review when it looks at online advertising deals, he said. "You can't talk about the digital advertising market today without talking about competition in targeting Americans," he said.

Google supports the FTC's efforts to create privacy guidelines, David Drummond, the company's senior vice president for corporate development and chief legal officer, said in a blog post. "The FTC's decision publicly affirms what we and numerous independent analysts have been saying for months: Our acquisition does not threaten competition in what is a robust, innovative, and quickly evolving online advertising space," Drummond wrote. "In fact, we firmly believe the transaction will increase competition and bring substantial benefits to consumers, web publishers, and online advertisers."

Critics failed to show specific privacy harms, added Thomas Lenard, president of iGrowthGlobal, a conservative think tank. "I don't see a problem because nobody has demonstrated the acquisition will result in any privacy harm to consumers," he said. "All the allegations are very hypothetical. Privacy advocates assert that Google's and DoubleClick's activities injure consumers, but they don't provide any evidence."

If the FTC had blocked the deal, it would be "penalizing success, and that would send a bad signal to the marketplace," Lenard added. "That would also be bad for consumers."

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