FTC TO SEE WHO’S BEEN NAUGHTY AND NICE

Selling online this holiday season will not be an easy skate around the rink at Rockefeller Center. No, this year, more than ever, Big Browser—otherwise known as the Federal Trade Commission—will be making sure that you protect the privacy of your online customers and do not exaggerate claims about your merchandise. In a recent speech, FTC Chairman Timothy Muris signaled this when he advocated a new, stronger “privacy agenda,” warning e-tailers that the FTC will be stepping up enforcement of existing privacy regulations. This means e-tailers and other e-businesses should review their practices to make sure they’re living up to the privacy policies stated on their Web sites.

Muris also warned that The Children’s Online Privacy Protection Act shouldn’t be considered child’s play. To avoid the Grinch, consider how you collect and use personal information—such as names, home or e-mail addresses, telephone numbers, and hobbies collected using cookies or other tracking tools—from children under 13. Post a notice explaining your data collection methods on your home page and on every page where you compile these stats. Notices should be prominently displayed and easy for kids to understand.

In addition, now that consumers are buying more goods that are “Made in the USA” to demonstrate their patriotism, the FTC has restated its position on selling goods that carry that label. “Made in USA” means that “all or virtually all” the product has been made in America. Products should not contain any—or only negligible—foreign content. Beware of the watchdogs on high alert ensuring that all advertising tells the truth, does not mislead consumers and substantiates any claims.

Another hot issue this holiday season will be “free” online offers. If you make claims of offering merchandise for free, make sure there are no strings attached or that freebie could cost you.

In addition, if you make shipping promises and cannot deliver, you must tell your customers and either provide a new delivery date or explain their right to cancel and get a full and prompt refund.

This season, many people will be shopping online to avoid the lines and remain safe in their homes. But, if you don’t make it easy for them, build trust and ensure privacy, you might find a piece of coal in your in-box.

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Meeting the letter of the IM law

As IM becomes an ever-more-pervasive business communication tool, its use within industries such as financial services is coming under scrutiny by regulatory agencies. IM is generally treated by agencies such as the SEC and NASD as electronic messaging communication and faces the same recording regulations as e-mail. Experts say all enterprises—not just those in financial services—should pay attention to how they track and archive instant messages. For an idea of how enterprises can get a handle on IM, take a look at how financial services companies are ensuring that they comply with SEC Rule 17a-4 and NASD 3010:

Nonerasable storage Under SEC and NASD regulations, instant messages must be preserved in WORM format—which implies a nonwritable, nonerasable storage medium—for a period of no less than two years and no greater than five years, if the content of the messages are "Ev friendly, complex"