

**Summary of Presentation by TRUSTe**  
GLB Interagency Meeting on the ANPR on Privacy Notices  
February 18, 2004  
Federal Trade Commission Conference Center

Participants:

Fran Maier, Executive Director and President, TRUSTe  
Becky Richards, Compliance and Policy Director, TRUSTe  
Martha Landesberg, Senior Policy Advisor, TRUSTe

Comments:

The speakers provided a hand-out to the agencies, entitled "Privacy Notices." The primary expertise of TRUSTe is the Internet. TRUSTe certifies privacy practices, writes privacy policies, and has extensive experience with both regulated and non-regulated companies.

Ms. Landesberg provided background information on TRUSTe, its work in helping businesses follow best practices in auditing and describing information practices, and observations on a "highlights" notice. She commented that surveys have shown particular consumer concerns about identity theft, information sharing, and spam. She discussed the seal program – the types of companies that use the TRUSTe seal, their ongoing monitoring program, and seeding program to ensure certification compliance.

Ms. Landesberg discussed the issue of trust and the impact of a seal program. She spoke about the TRUSTe standards: to provide good notice, good choices, and to provide choice for third party sharing for any secondary uses including marketing, whether the sharing is with an affiliated or nonaffiliated third party. She said that TRUSTe has been testing the effect on response rates of emails sent from sites with a seal and found measurable differences.

Ms. Landesberg made the following observations on Appendix A: the "yes" and "no" answers are unclear; she proposed changing the text to make affirmative or negative statements on the applicable practice. She thought "corporate family" is a good term to use. The italicized language is too busy.

Communicating choice is a more important feature of the notices than comparability. TRUSTe does not view the food label analogy as the proper comparison. Privacy is more contextual.

They would like to see testing of vocabulary – what do the words mean. For example, the word "limit" doesn't convey how much or what sharing the consumer can stop.



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# Highlights Notices

February 18, 2004

## Agenda

- Background on TRUSTe and our perspective based on years of certifying privacy statements
- Privacy Statements: business goals
- Privacy Statements: consumer goals
- Suggestions for creating an effective highlights notice
- Thoughts on examples of notices in ANPR

## TRUSTe Background

- Independent, nonprofit organization
  - Formed by the Electronic Frontier Foundation and CommerceNet in 1997
  - Headquartered in San Francisco with offices in Washington, D.C.
  - Oversight provided externally by regulatory agencies such as the FTC and the Department of Commerce and internally by a Board of Directors representing industry, government interests and consumer experts

### Mission

- Dedicated to enabling individuals and organizations to establish trusting relationships based on respect for personal identity and information in the evolving networked world



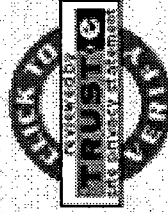
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## The Leading Privacy Seal

- First and largest privacy seal on the internet.
- Over 1,300 Web sites, in 27 countries, proudly display the TRUSTe privacy seal today
  - Each goes through an extensive privacy statement review process prior to posting the seal and goes through a regular review annually
- 24 Fortune 500 companies take advantage of our commitment to developing new services relevant to large, global corporations.
  - EU Safe Harbor seal
  - International Services
  - Bonded Sender
  - Wireless Privacy Principles
  - COPPA Safe Harbor

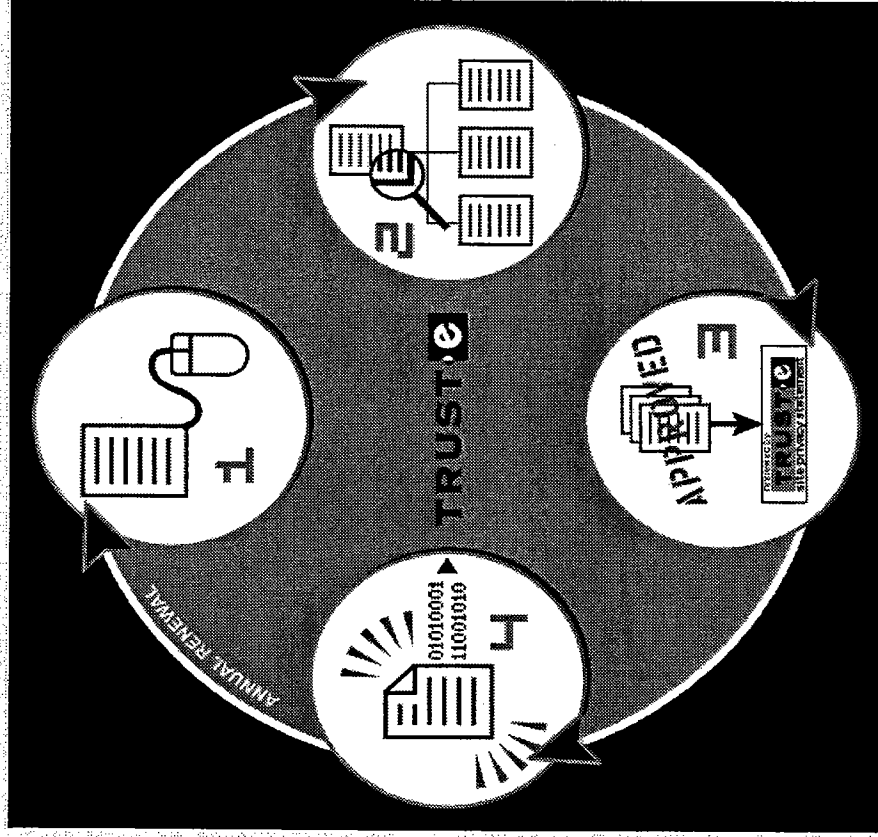
reviewed by

**TRUSTe**  
site privacy statement



# The TRUSTe Lifecycle

1. In-depth Privacy Assessment
  - Application
  - Self-Assessment
2. Thorough Web Site Audit and Review
  - Site review with TRUSTe expert
  - Revision of privacy statement and practices
3. Seals Awarded and Displayed
4. Ongoing Monitoring & Dispute Resolution
  - Watchdog
  - Watchfire
  - ADR
  - Newsletter
  - Crisis Communications Support



## **Privacy Statement: Business Goals**

- Creates the opportunity to analyze data flows and data processes
- Communicates effectively to consumers
  - Privacy is a key corporate value.
  - Encourage consumer participation in e-commerce by explaining the benefits of providing personal information.
  - Set expectations of what will be done with consumer information and what options the consumer may have.
  - Meets consumer expectations that reputable companies disclose their privacy practices.
- Demonstrates industry leadership.
  - Helps inform the industry and regulatory debate about what are best practices.
- For regulated industries, demonstrates compliance
- For unregulated industries, demonstrates making good faith efforts to follow industry best practices.



## **Privacy Statement: Consumer Goals**

- States the consequences of doing business with a given company:
  - How you are using my information?
  - Do you share my information?
  - What are my choices and how do I exercise them?
  - Do you have good security?
  - What do I do when I have a problem?
- Distinguishes among companies on basis of privacy



## **How can a Highlights notice meet the goals?**

- Make the highlights notice accessible and interactive
- Don't be too prescriptive about specific language.
- Keep in mind that for complex businesses a short notice will be more difficult to implement

## Accessible and Interactive Notice

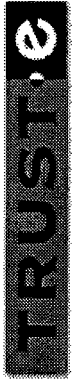
- Interacts with the full privacy statement and account management aspects of web site
  - Language should mirror key points
  - Text should be linked to appropriate sections (not just to the top of the privacy statement)
  - Link to definitions
- Removes extraneous information
- Makes exercising choice easy
- Is easy to read and visually appealing
- Uses active voice
- Avoids double negatives
- Minimizes conditionals (see example Appendix <sup>B</sup>A)

## **Don't be too prescriptive**

- Provide a template structure of the highlights notice, i.e. subjects to be covered
  - Scope and date of privacy statement
  - What information is collected
  - How is it used and shared
  - What are user choices/how to opt-out
  - Where to look for more information
  - Privacy seals and certification
- Allow comparison of practices across companies and industry
  - Quickly and easily identify sharing
  - Identify seal or certification participation

## **Complex businesses and highlight notices**

- Keep in mind that for complex businesses a short notice will be more difficult to implement
  - May need to do several that are specific to the line of business



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# Thoughts on Examples of Notices provided in ANPR



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# QUESTIONS?





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