



**This sheet is provided by Parazim for informational purposes only. It should not and cannot be construed as legal advice, a legal solicitation, or an advertisement. You should contact your own lawyer to determine what is appropriate for your business.**

## **-PRIVACY POLICY-**

CA law requires operators of commercial websites or online services that collect personal information on CA residents through a website to conspicuously post a privacy policy and to comply with it. A privacy policy is a statement that declares a firm's (or website's, or mobile application's) policies on collecting, using, and sharing personally identifiable information (PII) about a user or visitor.

### **QUESTION**

What is "PII"?

### **ANSWER**

Personally Identifiable Information or "PII" is any data that could potentially identify a specific individual and includes, but is not limited to: name, address, date of birth, marital status, ID number, phone number, financial records, credit card information, medical history, where one travels, and intentions to purchase goods and services.

### **QUESTION**

What should be included in a privacy policy?

### **ANSWER**

The exact contents of a privacy policy will depend on the type of services provided and the applicable law of the state and the country. At a minimum, a privacy policy must answer the following questions:

- What is the effective date of the Privacy Policy?
- How will users be notified of changes of Privacy Policy?
- What information is collected? And which of the collected information is PII?
- How is information collected?
- What is the information collected used for?
- Who has access to the information, and which information?
- How can a user "opt out" of sharing PII with third parties?
- Where is information stored?
- How can a user find out more regarding what information is stored?

- How can a user change the information stored?
- Are there any third party sites linked to by the firm's website? If so, do those third party sites collect information from the user?

### **QUESTION**

Do any special privacy rules apply to children?

### **ANSWER**

Yes. Websites that are collecting information from children under the age of thirteen are required to comply with Federal Trade Commission's ("FTC") Children's Online Privacy Protection Act ("COPPA"). COPPA applies when a website or service (1) is directed to children under 13, and when a website or service (2) has actual knowledge that it is collecting personal information from children. Note: COPPA only applies to personal information collected from children online (including personal information about themselves, their parents, and friends). COPPA does not apply to information about children collected from parents or other adults online. For more information on compliance, visit here: <http://www.coppa.org/comply.htm>

### **QUESTION**

Does California have state-specific requirements regarding privacy policies?

### **ANSWER**

Yes. California Online Privacy Protection Act of 2003 (Business and Professions Code sections 22575-22579) can be viewed here:

[https://leginfo.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=BPC&sectionNum=22575](https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=BPC&sectionNum=22575).

Two main requirements are:

- (1) The privacy policy must state how the website operator deals with Do Not Track ("DNT") settings on Internet browsers, and
- (2) it must declare whether any third parties conduct online tracking through the website operator's site.

### **QUESTION**

What should be included in a privacy policy about the use of cookies?

### **ANSWER**

A privacy policy should first include a simple definition of cookies. For example, "A 'cookie' is a small bit of record-keeping information that websites often store on a user's computer." The privacy policy should then answer the following questions about the cookies that the firm's website stores on the user's computer, if any:

- (1) What type of information is stored in cookies?
- (2) What is the purpose of the information collected on the cookies?
- (3) Can third parties access the information on the cookies? If yes, why?

### **QUESTION**

How can I comply with European Union's privacy requirements?

**ANSWER**

The U.S. Department of Commerce in connection with the European Commission has developed a "safe harbor" framework, so that U.S. companies can meet the "adequacy" standard of European Commission's Directive on Data Protection (which prohibits transfer of personal data to non-European Union countries that do not meet the European Union (EU) "adequacy" standard for privacy protection). To qualify, a firm can (1) join a self-regulatory privacy program, or (2) develop its own self-regulatory privacy policy that conforms to the U.S.-EU Safe Harbor Framework. For more information, visit here: <http://www.export.gov/safeharbor/>