



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of Chairman Jon Leibowitz

TO: Don Clark  
FROM: Christine DeLorme  
DATE: February 22, 2012  
RE: COPPA Rule: Comments to be placed on the public record

On February 9, 2012, representatives of The Walt Disney Company (“Disney”) met with FTC Chairman Leibowitz, his attorney advisor, and other agency staff to discuss the proposed amendments to the FTC’s COPPA Rule.<sup>1</sup>

Disney stated that the current COPPA regime provides disincentives to companies who want to develop “family-friendly” web sites. Disney explained that because of the implications of a web site being “directed to children” for COPPA purposes, companies have an incentive to avoid falling into this category, for instance, by avoiding obtaining knowledge of the ages of their web site visitors.

Disney proposed a “family-friendly” designation that could be given to companies that take affirmative steps to protect collection and use of information from kids. Such sites would not be able to collect any information from visitors before identifying the age of visitors; if a user is a child, the site would either not gather that child’s information, or obtain parental consent first. However, such a site would not have to initially treat all users as children, as is the case with a web site “directed to children.”

Disney stated that a family-friendly designation would incentivize the development of family-friendly sites, and would provide protection for a wider group of children than those currently protected by the COPPA Rule.

Disney believes that the Commission has the authority to propose a family-friendly designation, either directly through the agency’s rulemaking authority, or by providing a safe harbor in the Rule. Disney further argued that now (during the current rulemaking) is the best time to take on such an effort, because if the Rule continues to cover only web sites directed to children, it will ignore what is going on in the internet ecosystem, and how children are actually using the internet. Companies in the internet space are becoming increasingly conscious of the

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<sup>1</sup> In attendance from The Walt Disney Company were: Richard Bates (Senior Vice President, Government Relations), Ellen Blackler (Vice President, Global Public Policy), Alan Braverman (Senior Executive Vice President, General Counsel, and Secretary), and Susan Fox (Vice President, Government Relations).

In attendance from the FTC were: Chairman Jon Leibowitz, Christine DeLorme, Mary Engle, Joni Lupovitz, and Marianne Watts.

need to protect kids, and a family-friendly designation could provide a path for companies, such as social networking sites, to be more protective of kids' information than they are today.

Disney provided disney.com as an example of a website that is "family friendly," and stated that much of the company's programming spans age groups. For instance, children stay with Hannah Montana from a young age through tween-dom. Excepting web sites such as Club Penguin, which skews very young, most of what Disney does is directed at families. The company currently asks for user age even on websites that it does not believe are child directed. Children on such sites are either directed to an area of a web site where no information is collected, or the company seeks to obtain verifiable parental consent.

Chairman Leibowitz asked how the agency could gauge whether there is industry interest in such an idea, and mentioned that we usually would discuss such an idea with consumer groups and vet it in some sort of public forum. A member of FTC staff commented that a proposal for a family-friendly designation, which was not mentioned at all in our proposed amendments, might require an additional public comment period in a rulemaking. Disney offered to help build industry support if this is the direction the Commission decides it wants to go.