
FTC Issues Report Addressing Mobile Commerce, Expediting COPPA Rule Review

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The Federal Trade Commission (FTC) Staff has issued a report addressing mobile commerce and consumer protection. Released April 22, 2009, the report, "Beyond Voice: Mapping the Mobile Marketplace," summarizes the FTC's May 2008 town hall meeting on the topic (Mobile Town Hall). It also outlines the Staff's key findings from the Mobile Town Hall, which conclude that certain mobile activities require FTC monitoring, law enforcement measures, and industry action. Finally, the report announces that the FTC will accelerate its review of the Children's Online Privacy Protection Act (COPPA) Rule. That review will now begin in 2010, five years earlier than originally scheduled.

Prompted by its recognition of the increased use of mobile devices for m-commerce and other data-driven services and the potential implications for consumer protection, the FTC held the Mobile Town Hall to address nine different topics: (1) the contours of the mobile marketplace, (2) mobile messaging (including unsolicited messages), (3) mobile devices versus personal computers, (4) location-based services, (5) the transition and adaptation of advertising and marketing to mobile devices, (6) mobile controls, (7) mobile marketing to children and teenagers, (8) industry best practices for billing, disclosures, fielding complaints, and dispute resolution, and (9) mobile security. Representatives of a wide swath of interests—manufacturing, telecommunications, advertising, law enforcement, and others—participated in the meeting and submitted public comments.

Based on this input, the FTC Staff report makes three key findings. First, inadequate cost disclosures for mobile services are an ongoing concern. The FTC resolves to "continue to monitor cost disclosures and bring law enforcement actions as appropriate. . . . [and] work with industry on improving its self-regulatory enforcement." (The report does not address whether or how this is consistent with the common carrier exemption in the FTC Act.)

Second, unsolicited mobile text messages, malware, and spyware are a burgeoning problem for consumers. The FTC intends, with the assistance of law enforcement, to continue to closely watch their impact and to bring action as necessary. Stakeholders, it says, should continue to formulate ways to curtail spam, spyware, and malware dissemination among mobile devices.

Third, developments in mobile technology, including the spread of smartphones and other devices

that permit access to the Internet, raise unique privacy concerns, particularly as to children. Accordingly, the FTC intends to expedite its review of the COPPA regulations from 2015 to 2010.

The four sitting Commissioners voted unanimously to issue the report, which notes that "the FTC staff is committed to policing the wireless space to ensure consumer protections are in place."

The full text of the FTC Staff report is available on the [FTC website](#).