Technology | Academics | Policy TAP

FACT SHEET
August 28, 2015

⭐ Privacy and Consumers

There are a number of privacy issues related to how online companies collect, store, use and share personally identifiable information; and how consumers are informed about what is done with their information online. Companies that operate a business or advertise online often want to know more about the behavior and demographics of their customers in order to more efficiently target information. Consumers may have a variety of concerns about the information they reveal online, including: identity theft, child safety online, the protection of one's reputation, or a wish to avoid aggressive marketing pitches. At some level, online privacy is a balance between the economic value of information – including its ability to provide a return to content creators so that the Internet continues to thrive – and the need to ensure that privacy is protected, so that fear of sharing information does not unduly limit the Internet as a place of creative and commercial exchange.

Overview

These issues arise in discussions of privacy and consumers:

- How consumers view and value different aspects of privacy –and whether there is a difference between what they say they value, and what they actually do in practice online.
- How firms can set fair privacy policies and ensure consumers adequately understand their policies.
- The call for Privacy By Design—the practice of embedding privacy protections into products and services at the design phase, rather than after an application is created.
- Comparing privacy or "data protection" law in Europe and in the U.S. Unlike Europe, the U.S. has no comprehensive privacy law, so privacy online falls under a range of different, and overlapping, set of rules covering different types of information.
- Online behavioral advertising (OBA), a process of profiling a user based on his or her online activities and using this profile, constructed over time; advertising networks show ads most likely to be of interest to each user, charging a premium price to do so.
- Location-based tracking, especially regarding mobile devices, raises potential privacy dangers; and has opened up debates around tracking devices violating Fourth Amendment rights.
- Facial-recognition technology and tools are capable of linking facial images to anonymous online data. The privacy implications of this work are significant; however, the biggest problem could be the inaccuracy of this and other data-mining techniques.
- 'Do Not Track' (DNT) proposes to give web users the option to limit tracking by online advertisers.
- Big Data uses data mining techniques to identify patterns in large datasets. Inherent in the details of the data sets are potential security breaches and privacy violations of the individuals associated with the de-identified data.
- The intersection between privacy and other goals such as security, competition, or free speech.
- The costs and benefits of privacy regulation.

Relevant Academics

M. Ryan Calo
University of Washington
rcalo@uw.edu

Lorrie Faith Cranor
Carnegie Mellon University
lorrie@cs.cmu.edu

Chris Hoofnagle
Berkeley Center for Law & Technology
choofnagle@law.berkeley.edu

Deirdre Mulligan
Berkeley Center for Law and Technology
dkm@ischool.berkeley.edu

Ira Rubenstein
New York University
ira.rubinstein@nyu.edu

Paul M. Schwartz
University of California, Berkeley School of Law
pschwartz@law.berkeley.edu

Daniel J. Solove
George Washington University Law School
dsolove@law.gwu.edu

Peter Swire
Georgia Institute of Technology
Peter.Swire@scheller.gatech.edu

Joseph Turow
University of Pennsylvania Law School
jturow@asc.upenn.edu

Media Contact

For media inquiries on a range of TAP topics, or for assistance facilitating interviews between reporters and academics, contact TAP@techpolicy.com.

Privacy and Consumers Sources

These sources are a good place to start in understanding privacy issues. Daniel Solove and Chris Hoofnagle support broad regulation of privacy in "A Model Regime of Privacy Protection." Robert W. Hahn and Anne Layne-Farrar take a more skeptical view in "The Benefits and Costs of Online Privacy Legislation." Peter Swire looks at privacy and competition policy in "Privacy and Antitrust." In "Bridging the Gap Between Privacy and Design," Deirdre Mulligan and Jennifer King call for embedding privacy protections into products and services at the design phase, known as Privacy By Design. Ira Rubinstein and Nathan Good also advocate Privacy By Design by offering the first comprehensive analysis of engineering and usability principles specifically relevant to privacy in "Privacy by Design: A Counterfactual Analysis of Google and Facebook Privacy Incidents." In "Smart, Useful, Scary, Creepy: Perceptions of Online Behavioral Advertising," Lorrie Faith Cranor, along with colleagues Blase Ur, Pedro G. Leon, Richard Shay, and Yang Wang, found that online users were unable to determine accurately what information is collected during Online Behavioral Advertising (OBA).

Please note that all links on this fact sheet are accessible from the online version at www.techpolicy.com/consumerprivacy.aspx.