IP News: 6(b) Orders Issued

FTC Issues 6(b) Orders to Social Media and Video Streaming Services

December 18, 2020

On December 14, 2020, the Federal Trade Commission (FTC) announced that it had issued orders to nine social media and video streaming companies, requiring them to provide a special report on data collection, advertisement, and user engagement practices. By a vote of 4 to 1, the FTC issued the orders to conduct a study, authorized by section 6(b) of the FTC Act, assess the full scale and scope of social media and video streaming companies, and to better understand the incentives of such companies. The orders have been sent to Facebook, WhatsApp, Snap (which operates Snapchat), Twitter, YouTube, ByteDance (which operates Tik Tok), Twitch, Reddit, and Discord because of the important role that user data analysis plays in their business models.

The companies have 45 days from receipt of the orders to respond, and the FTC expects that the special reports provided will contain comprehensive information on the following: how social media and video streaming services collect, use, track, estimate, or derive personal and demographic information; how they determine which ads and other content are shown to consumers; whether they apply algorithms or data analytics to personal information; how they measure, promote, and research user engagement; and how their practices affect children and teens.

Commissioner Noah Joshua Phillips, who voted against the orders, expressed concern that the inquiry of the reports is unfocused, overly broad, and an unnecessary use of government resources. The four FTC Commissioners who supported the orders believe that required reports will help address public uncertainty over use and disclosure of their personal data on technology platforms. The FTC hopes that the information gathered by these orders will shed light on the impact of the social media and video streaming industry on user privacy and behavior.

For more information, please contact media and marketing attorney, Amanda Schreyer or privacy attorney, Faith Kasparian (CIPP-U.S.).

Morse would like to acknowledge the contributions to this article by and give thanks to Natalie Gallego, Northeastern University School of Law (NUSL) 2021.