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Advertisers scramble to reassure public after Google privacy flap

By SUSAN KRASHINSKY

Privacy commissioner announced Wednesday that Google had violated privacy laws by using targeted ads based on medical search results

Advertising groups are taking steps to address concerns raised by Canada's privacy watchdog, fearing a backlash that could have a negative impact on the lucrative world of targeted online advertising.

The Association of Canadian Advertisers and the Canadian Marketing Association have been working to align themselves with privacy advocates, in order to demonstrate that they are not playing fast and loose with consumers' personal information. The use of that information has become crucial to the way that ads are bought and sold.

On Wednesday, the Office of the Privacy Commissioner of Canada announced it had found Google Inc. had violated privacy laws by targeting ads based on a person's medical condition (sleep apnea) revealed in his online searches for devices to help with the condition.

"We work very closely with the privacy commissioner ... Online behavioural advertising is a very important tool for marketers," Ron Lund, president and chief executive of the Association of Canadian Advertisers said. "...We don't want a knee-jerk reaction by legislators that this is too new and different, and they're just going to ban it."

In September, the ACA and the CMA helped to launch a program in Canada to better inform people of how their information is used online by advertisers, and to give them an easier way to opt out of that system¹ if they want to.

The Digital Advertising Alliance of Canada [DAAC], as the program is known, released its own set of guidelines for targeted advertising that all participating companies must agree to.

It includes a specific prohibition on using financial or medical information – as in the Google case – or anything that could be linked to a particular individual.

So far, roughly 30 companies have signed on to the new program. Google is not one of them, but the ACA is hoping it may be soon.

Online ad targeting works by monitoring people's Internet habits – things they search for, websites they visit, etc. – and then placing ads elsewhere online, based on that data from their browsing history.

Google's own policies prevent the use of such sensitive information, but according to the investigation, its enforcement of those privacy policies needs beefing up.

According to people familiar with the matter, the issue may have been partly jurisdictional: In the U.S., where Google is headquartered, the breathing device for sleep apnea that was advertised to the man who complained in this case is classified under consumer electronics. That means Google is free to advertise it without crossing the line on targeting consumers based on health conditions. In Canada, however, it would be considered a medical device and Google's ad monitoring must account for that.

"Google had the right rules in place, now they have to get the enforcement right," John Gustavson, president and CEO of the Canadian Marketing Association, said. "...We're very pleased to see Google, which is one of our members, taking steps to correct that. ...We are, as a community, trying to make sure that people are in control of their information and have the opportunity to opt out of what we call interest-based advertising."

The industry is expecting more scrutiny, however.

"They have told us that they are going to be monitoring the marketplace. This is the very first of, I'm sure there are other investigations underway," said Bob Reaume, vice-president of policy research at the ACA. "This is going to continue to happen."

Some believe that it is needed.

"There really is an explosion in the amount of private information that is collected, used, and sold," said Abby Deshman, a lawyer with the Canadian Civil Liberties Association, a non-profit advocacy group. "... We need more and better tools to address it."

With a report from Omar El Akkad

References

1. www.theglobeandmail.com/report-on-business/industry-news/marketing/advertisers-to-open-up-on-web-use-data-collection-targeted-advertising/article14390838

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