

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman
Noah Joshua Phillips
Rohit Chopra
Rebecca Kelly Slaughter
Christine S. Wilson

In the Matter of)
)
Click Labs, Inc.,) DOCKET NO.
a corporation.)
)
_____)

COMPLAINT

The Federal Trade Commission (“FTC”), having reason to believe that Click Labs, Inc., a corporation, has violated the Federal Trade Commission Act (“FTC Act”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Click Labs, Inc. is a Florida corporation with its principal office or place of business at 600 1st Avenue, Suite 114, Seattle, WA 98104.
2. Respondent provides website and mobile app development and support through the website www.jungleworks.com.
3. The acts and practices of Respondent as alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act.
4. Respondent has set forth on its website, <https://jungleworks.com/privacy-policy/> privacy policies and statements about its practices, including statements related to its participation in the EU-U.S. and the Swiss-U.S. Privacy Shield frameworks.
5. In fact, Respondent has not been certified to participate in either the EU-U.S. or the Swiss-U.S. Privacy Shield frameworks.

Privacy Shield

6. The EU-U.S. Privacy Shield framework (“Privacy Shield”) was designed by the U.S. Department of Commerce (“Commerce”) and the European Commission to provide a mechanism for U.S. companies to transfer personal data outside of the EU that is consistent with the requirements of European Union data protection legislation. The EU General Data Protection Regulation, passed in May 2016 and enforced since May 2018 (replacing the 1995 EU Data Protection Directive), sets forth EU requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission has made a determination that the recipient jurisdiction’s laws ensure the protection of such personal data. This determination is referred to commonly as meeting the EU’s “adequacy” standard.
7. To satisfy the EU adequacy standard for certain commercial transfers, Commerce and the European Commission negotiated the EU-U.S. Privacy Shield framework, which went into effect in July 2016. The EU-U.S. Privacy Shield framework allows companies to transfer personal data lawfully from the EU to the United States. To join the EU-U.S. Privacy Shield framework, a company must self-certify to Commerce that it complies with the Privacy Shield Principles and related requirements that have been deemed to meet the EU’s adequacy standard.
8. Companies under the jurisdiction of the FTC, as well as the U.S. Department of Transportation, are eligible to join the EU-U.S. Privacy Shield framework. A company under the FTC’s jurisdiction that claims it has self-certified to the Privacy Shield Principles, but failed to self-certify to Commerce, may be subject to an enforcement action based on the FTC’s deception authority under Section 5 of the FTC Act.
9. The Swiss-U.S. Privacy Shield framework is identical to the EU-U.S. Privacy Shield framework and is consistent with the requirements of the Swiss Federal Act on Data Protection.
10. Commerce maintains a public website, <https://www.privacyshield.gov/welcome>, where it posts the names of companies that have self-certified to the EU-U.S. and/or the Swiss-U.S. Privacy Shield frameworks. The listing of companies, <https://www.privacyshield.gov/list>, indicates whether the company’s self-certification is current.
11. Respondent has disseminated or caused to be disseminated privacy policies and statements on the <https://jungleworks.com/privacy-policy/> website, including, but not limited to, the following statements:

7.5 We agree to adhere to the Privacy Shield Principles, which were identified in our organization’s self-certification submission under “Other Covered Entities”.

7.6 We shall comply with the EU-U.S. Privacy Shield Framework and Swiss-U.S. Privacy Shield Framework as set forth by the U.S. Department of Commerce regarding the collection, use, and retention of personal information transferred from the European Union and Switzerland to the United States. Jungleworks has certified to the Department of Commerce that it adheres to the Privacy Shield Principles.

12. Although Respondent initiated an application to Commerce for Privacy Shield certification, it did not complete the steps necessary to participate in either the EU-U.S. or the Swiss-U.S. Privacy Shield frameworks and continued to make the statements described in Paragraph 11 in its privacy policy.

Count 1-Privacy Misrepresentation

13. As described in Paragraph 11, Respondent represented, directly or indirectly, expressly or by implication, that it was a participant in the EU-U.S and the Swiss-U.S. Privacy Shield frameworks.

14. In fact, as described in Paragraph 12, Respondent was never certified to participate in either the EU-U.S. or the Swiss-U.S. Privacy Shield frameworks. Therefore, the representation set forth in Paragraph 13 is false or misleading.

Violations of Section 5 of the FTC Act

15. The acts and practices of Respondent as alleged in this complaint constitute deceptive acts or practices, in or affecting commerce, in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this ___ day of ____ 2019, has issued this complaint against Respondent.

By the Commission.

April J. Tabor
Acting Secretary

SEAL
ISSUED: