



ALERT

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FTC Issues Record Fine for COPPA Violation

Musical.ly app receives \$5.7 million fine for collecting personal information in violation of the Children's Online Privacy Protection Act

On February 27, 2019, the Federal Trade Commission ("FTC") [issued](#) a record \$5.7 million civil penalty against a video social networking application, Musical.ly, now known as TikTok, to settle allegations that Musical.ly violated the federal Children's Online Privacy Protection Act ("COPPA"). COPPA limits the collection of personal information (including basic information like name and email address) from children under the age of 13 without parental consent and gives parents and children more control over the use of that data.

The law applies to commercial websites and online services that are wholly or partially directed to children under 13 years of age as well as on general-audience websites or online services with actual knowledge that they collect personal information from children under 13. In addition to the civil penalty, Musical.ly must remove videos uploaded by users under 13 and change its business practices to comply with COPPA.

According to the [FTC's complaint](#), Musical.ly violated COPPA by collecting and using children's personal information without notifying the children's parents or obtaining their consent. In its first three years of business, Musical.ly required users to submit personal information, such as full names, telephone numbers, and profile pictures, without asking for the user's age. During this time, the FTC alleged that Musical.ly targeted an underage population by featuring celebrities and content folders appealing to children. Further, the FTC noted that Musical.ly gained actual knowledge of its underage users when it received thousands of complaints from parents whose children registered for the app.

The FTC's settlement illustrates the importance of companies assessing whether COPPA applies to them and verifying their data collection practices. The FTC made clear that it relies on multiple factors in making such a determination and that a company's intentions will not control the analysis. The commission voted 5-0 in favor of the settlement, with two commissioners [separately suggesting](#) that the FTC should have held Musical.ly's executives personally liable.



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