Global Data Privacy and Security Team

Bryan Cave's Global Data Privacy and Security Team helps clients safely collect, utilize, transfer, and monetize data.

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Data Privacy At a Glance: Monetizing Information From Startups

Websites and internet-based startups are booming. Many startups thrive by collecting data about their online users' age, gender, and geography and interpreting that data to predict consumer preferences and demand. In addition, many third party marketing services pay a premium for useful consumer data. Startups often find that data is their single most valuable commodity.

But with big data comes big responsibility. Most websites and online services are obligated to disclose their privacy practices. Failure to do so can result in lawsuits or the attention of state regulators. Overbroad privacy disclosures, or borrowing disclosures from other websites, may also inhibit a startup from evolving their data monetization strategy as their business model evolves. Startups need a tailored approach to privacy to prevent these risks and maximize the value of its consumer data.

Amount of marketing services revenue generated from the use of consumer data.[*]	Percentage of marketing services that require the ability to exchange data between firms.[†]
OVER **$150** BILLION	**70%**

California's Privacy Policy Laws Set the Standard

There is no comprehensive law addressing privacy policies, but California's privacy policy laws are the most stringent and apply to most commercial websites and online services that collect personally identifiable information ("PII") about individual California residents who use the website or online service – this includes most websites or online services that collect PII.

Things to Consider When Designing a Privacy Policy:

✓	Does the privacy policy allow third party data-sharing?
✓	Where will users find the privacy policy?
✓	Does the privacy policy identify the categories of PII collected and describe who else sees it?
✓	Will individual users be able to review and revise their PII?
✓	What is the best way to notify users of changes to the privacy policy?
✓	How will the website or online service respond to "Do Not Track" signals requesting that the operator not gather information about a user's online activity?
✓	Will other parties be able to collect a user's PII from his or her activity on the website or online service?
✓	Does the website or online service collect data that requires additional privacy safeguards, such as health information or PII from children under 13?

[*] See Lenard and Rubin, "The Big Data Revolution: Privacy Considerations," Technology Policy Institute (Dec. 2013)
[†] See Id. at 9.

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