

October 18, 2017

Acting Chairman Maureen K. Ohlhausen
Commissioner Terrell McSweeney
The Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

To Chairman Ohlhausen and Commissioner McSweeney,

We write to you regarding the sale of “smart” watches that track the location of children. A recent report from a European consumer organization found significant flaws in these devices that put young children at risk.¹ We urge you to open an investigation of smartwatches for children and hold manufacturers accountable. Any watch that jeopardizes a child’s safety should not be sold in the US.

[#WatchOut](#), the report of the Norwegian Consumer Council, examined several Internet-connected watches.² “These smartwatches for children are wearable mobile phones that allow parents to use an app on their smartphones to keep in touch with and track the location of their children.”³ As the Consumer Council points out, security and privacy are crucial as the watches are sold to provide “peace of mind” to parents.

But a careful assessment of these products tells a very unsettling story. Two of the devices allow a potential attacker to take control of the apps, “thus gaining access to children’s real-time and historical location and personal details, as well as even enabling them to contact the children directly, all without the parents’ knowledge.”⁴ Key features, “such as an SOS button that alerts the parents if the child is in distress, and a geofencing function that sends an alert whenever the child enters or leaves a designated area,” are not reliable.⁵

¹ The watches described in the report are Caref/Gator, TickTalk/Xplora, SETracker/Wonlex, Tinitell. Several are currently available for sale to US consumers on Amazon.

² Norwegian Consumer Council, “#WatchOut Analysis of smartwatches for children” (Oct. 2017).

³ *Id.* at 4

⁴ *Id.*

⁵ *Id.* at 5.

The data privacy practices of the firms also place children at risk. One company allows children’s personal data to be used for marketing purposes. Another transmits unencrypted children’s location data. Only one of the companies asks for consent prior to data collection, and “none of them promise to notify users of any changes to their terms, and there is no way to delete user accounts from any of the services.”⁶

The implications for US consumer protection law are far-reaching. The products appear to violate both Section 5 of the FTC Act as well as various provisions of the Children’s Online Privacy Protection Act. Moreover, the devices implicate not only the data privacy of children, but also their personal safety. The devices create a new vulnerability that allows a third party to find a young child at precisely the time when the child is separated from a parent or guardian.

We recognize that the FTC has done much to extend privacy protections for children and is also aware of the risks of Internet-connected devices.⁷ But the development of these products is accelerating and with little regulatory oversight, the risks to children are increasing.⁸ And the FTC has failed to take enforcement action in similar cases concerning the safety of children on matters that other consumer agencies have pursued effectively.⁹

We urge you to act expeditiously in this matter. The Commission should determine whether these devices violate Section 5, COPPA, or both. There is a real risk to children’s safety with these poorly designed tracking devices. If the Commission fails to act, families in the United States will be exposed to risks that could otherwise be avoided.

⁶ *Id.*

⁷ FTC, “FTC updates COPPA compliance plan for business,” (June 21, 2017), <https://www.ftc.gov/news-events/blogs/business-blog/2017/06/ftc-updates-coppa-compliance-plan-business>; FTC, “FTC Report on Internet of Things Urges Companies to Adopt Best Practices to Address Consumer Privacy and Security Risks: Report Recognizes Rapid Growth of Connected Devices Offers Societal Benefits, But Also Risks That Could Undermine Consumer Confidence,” (Jan. 27, 2015), <https://www.ftc.gov/news-events/press-releases/2015/01/ftc-report-internet-things-urges-companies-adopt-best-practices>

⁸ “Gartner, Inc. forecasts that 8.4 billion connected things will be in use worldwide in 2017, up 31 percent from 2016, and will reach 20.4 billion by 2020.” Gartner also stated that “consumer Applications to Represent 63 Percent of Total IoT Applications in 2017.” (Feb. 17, 2017), <https://www.gartner.com/newsroom/id/3598917>

⁹ *See, e.g.*, N.Y. Attorney General, “Cuomo Announces Agreement Stopping Software Company “echometrix” From Selling Children’s Private Online Conversations To Marketers,” (Sept. 15, 2010), <https://ag.ny.gov/press-release/cuomo-announces-agreement-stopping-software-company-echometrix-selling-childrens>. The Echometrix complaint was submitted to the FTC a year earlier, but the Commission failed to take any action in the Echometrix matter. *See generally* EPIC, Echometrix, <https://epic.org/privacy/echometrix/>

Sincerely,

Electronic Privacy Information Center (EPIC)
The Center for Digital Democracy
Campaign for a Commercial-Free Childhood
The Consumer Federation of America
Consumers Union
Public Citizen
U.S. PIRG