

For Immediate Release

CARU REVIEWS ADVERTISING FOR WWW.SAKURAOFAMERICA.COM

Sakura Color Product of America Brings Website into Compliance with Guidelines, COPPA

New York, NY – August 26, 2008 – The Children’s Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that Sakura Color Products of America, Inc., operator of the Website www.sakuraofamerica.com, modify the site to assure it is in compliance with CARU’s self-regulatory guidelines for children’s advertising or the federal Children’s Online Privacy Protection Act (COPPA.)

CARU, the children’s advertising industry’s self-regulatory forum, reviewed the Website pursuant to CARU’s ongoing monitoring program.

CARU monitors Websites for compliance with CARU’s *Self-Regulatory Program for Children’s Advertising* (the *Guidelines*) including guidelines on Online Privacy Protection, as well as with the federal Children’s Online Privacy Protection (COPPA).

The print advertisement, which appeared in the April/May 2008 issue of *Discovery Girls* magazine, features one of the Sakura product lines, Shades, a type of Gelly Roll pen. Under the statement “choose your flavor,” was a picture of three ice cream cones in colors similar to the pens. The ad listed the numerous colors in which the pens are available, “to express the many shades of you.” At the bottom of the ad was a small picture of the Sakura of America logo along with a link to the Website.

The Website presents information about its products, the history of the company, its sponsorships, and where to purchase the products. The site also showcases artists working with the Sakura line of products and offers quizzes and drawing contests for its members.

When CARU first evaluated the Website, all visitors could register and create a new account. The sign-up form requested that potential registrants enter personally identifiable information (PII), including first name, last name, company, address and e-mail address along with an account user name. Upon completion of the registration page, the user received an e-mail that noted the user was registered and provided a password to the login name.

The profile page for the registrant contained the PII collected. Additionally, under the “Contact Us” page, the Website collected the visitor’s full name, e-mail address, phone number and street address along with his or her comments.

The Website did not age-screen at any point during the sign-up process, nor did it request any parental contact information or consent. The Website did not appear to have a privacy policy addressing the Website’s information collection and privacy practices.

Upon receipt of CARU’s inquiry letter, the Website operator agreed to develop new privacy practices to ensure compliance with the Guidelines and COPPA. Sakura represented that it did not wish to collect PII from children under the age of 13, other than online contact information to be used one time for contest or sweepstakes entries. For such a collection, Sakura said it will ask for the entrants e-mail address, which will only be used to notify winners and losers of the contest. Following the notification, the e-mail address will be deleted. CARU found that this use falls within the one-time use exception to parental consent.

The operator said its new process for both account registration and the "Contact Us" section will ask each potential registrant to enter his or her age along with an e-mail address. If the age entered is below 13, the next screen will indicate that the user is unable to register for an account. There will be a session cookie in place to prevent users from going back in the browser and changing their birth date once they realize that there is a threshold age for joining. CARU determined this age screening process to be neutral and complete.

The operator also has updated its privacy policy and links to the privacy policy are currently displayed on all areas of the Website where PII might be collected or posted.

The company, in its operator's statement said it did not intentionally violate CARU's Guidelines or COPPA and noted that "[a]ny deficiency ... due to the transition of revamping our website was promptly addressed after contacted by CARU. We appreciate the assistance provided by CARU during this process to ensure that www.sakuraofamerica.com is in full compliance."

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CARU's inquiry was conducted under NAD/CARU/NARB Procedures for the Voluntary Self-Regulation of National Advertising. Details of the initial inquiry, CARU's decision, and the advertiser's response will be included in the next NAD/CARU Case Report.

About Advertising Industry Self-Regulation: The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation. NARC is the body that establishes the policies and procedures for the CBBB's National Advertising Division (NAD) and Children's Advertising Review Unit (CARU), as well as for the National Advertising Review Board (NARB) and Electronic Retailing Self-Regulation Program (ERSP).

NAD and CARU are the investigative arms of the advertising industry's voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children's advertising industry, while NAD/NARC/NARB's sole source of funding is derived from membership fees paid to the CBBB. Funding for ERSP is derived from membership fees paid to the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.