

CARU® NEWS

Immediate Release

Contact: Linda Bean
212.705.0129

ROCKET PAPER SCISSORS PARTICIPATES IN CARU PROCESS

Company Modifies Website to Comply with CARU Guidelines, COPPA

New York, NY – May 20, 2008 – The Children’s Advertising Review Unit of the Council of Better Business Bureaus has recommended that Rocket Paper Scissors, LLC, which operates the Website www.dizzywood.com, take steps to modify the Website to better protect children’s privacy. At the outset of the CARU inquiry, the company noted it had taken a number of steps to modify the Website and worked with CARU to make necessary changes.

The Website came to the attention of CARU through its routine monitoring of the Internet. CARU, the children’s advertising industry’s self-regulatory forum, 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 Act (COPPA).

Dizzywood.com offers a virtual world and game site for kids. When CARU first examined the Website, it appeared that children who joined the Dizzywood community would be able to use interactive chat, internal mail and message boards. The Website noted that these modes of communication could lead to the inadvertent release of personal information. Although these components were protected by the site’s proprietary filter technology, selective monitoring and peer reporting, the Website stated that they cannot be moderated continuously.

As part of the registration process, after agreeing to the privacy policy and terms of use, parents were asked to enter an e-mail address. Aside from clicking on a link provided in the e-mail sent to the parent by the Operator, there was no process to obtain verifiable parental consent.

In the course of CARU’s review, the company informed CARU that the Website did not have internal mail or message board features and the operator updated the Website to remove statements describing these options.

Although Dizzywood did have an open real-time chat available for its members at the time of CARU’s inquiry, RPS responded that it was in the process of modifying that feature to prevent children from typing in any personally identifiable or inappropriate information. (The Website operator has since informed CARU that this dictionary-based chat engine is currently operational and there is no opportunity for the public posting of children’s personally identifiable information [PII] nor is any being collected.)

Once children could not post PII on the chat board and in the absence of internal e-mail or message board options, CARU determined that the revised Website would not need to obtain verifiable parental consent prior to signing the children up for membership.

Dizzywood, in its advertiser's statement, said the company supports "CARU's efforts to lead self-regulation within the industry and appreciated the opportunity to work closely with CARU to ensure that Dizzywood.com continues to be in compliance with COPPA regulations and CARU guidelines."

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*.

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About advertising 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 the 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. ERSP's funding is derived from membership in the Electronic Retailing Association. For more information about advertising self regulation, please visit www.narcpartners.org.