



PRIVACY POLICY EVALUATION



INTRODUCTION

A privacy policy is a set of promises made by a website operator to its users. Generally, a privacy policy discloses the ways a website operator collects, uses, discloses, manages, and protects a user's data. Some states legally require a website operator that collects information from users to provide a privacy policy on its website; but even in states that do not mandate website privacy policies, it is a best practice for website operators to fully disclose to users how their data is collected and used.

Privacy policies should be tailored to fit each business's needs, subject to applicable privacy laws. Some provisions of a privacy policy may be required by law, whereas others are optional. Although no single, "one-size-fits-all" privacy law exists, various federal and state laws, as well as commonly accepted principles, form the framework of best practices by which any privacy policy should be drafted and evaluated.

Generally, a privacy policy should disclose company practices in the following categories:

- Information Regarding Notice of Updates to the Policy
- Types of Information Collected and Methods of Collection
- Ways in which User Information may be Used
- Ways in which User Information may be Shared/Disclosed to Third Parties
- Information Regarding User Choices Related to Use, Collection and/or Sharing of Information

- Information about Cookies and Other Tracking Technology
- Use of Behavioral Advertising
- Children's Online Privacy Protection Act (COPPA) Disclosures
- Liability for Third Parties
- Point of Contact
- Security Measures Used to Protect Information
- Transfer of User Information in Special Circumstances
- California or Other Relevant State Disclosures (including Do Not Track notifications)
- Information Applicable to International Users
- Clarity and Readability
- Other Applicable Disclosures

A privacy policy is only as good as the practices behind it. The privacy policy should accurately reflect the website operator's practices, and the website operator should abide by the terms of the privacy policy. Website operators are legally accountable for following the statements made in their privacy policy. While clear and concise disclosures may reassure users, they still will not protect a business from liability if those policies are not put into practice. Similarly, disclosures must adequately inform users as to how their data is used. Indeed, legal action is more common when users' information is being used in a manner not covered by the company's privacy policy. For example, although in most cases it is not a violation of law to sell customer lists or track user activity, a website operator's failure to disclose such practices to its customers or users can lead to negative consequences.

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The Federal Trade Commission (FTC) views inaccurate privacy policies as deceptive marketing. The FTC can and has initiated lawsuits against website operators, including a number of high-profile actions against major online service providers, for failure to follow the practices disclosed in their privacy policies or for making allegedly misleading statements in their privacy policies. Website operators that fail to properly observe the terms of their own privacy policies may also be at risk of litigation, either by individual users or in a class action.

BACKGROUND

zipLogix™ asked our office to conduct an in-depth policy review of industry competitors' privacy policies and analyze how the zipLogix™ privacy policy compared. We reviewed the privacy policies of eleven (11) real estate industry technology providers using a list of industry standard criteria we believe a sound privacy policy should include. After our initial review, we concluded that zipLogix™ provided a strong privacy policy that was one of the best within the selected group, but we identified certain disclosures that could be improved to provide greater clarity and detail to users.

Guided by our initial review, zipLogix™ revised its privacy policy to expand or clarify several disclosures. We then reviewed updated versions of all eleven (11) industry privacy policies against the categories of information detailed above. Many of those categories were

further broken down into subcategories of specific details we would expect an exhaustive privacy policy to include.

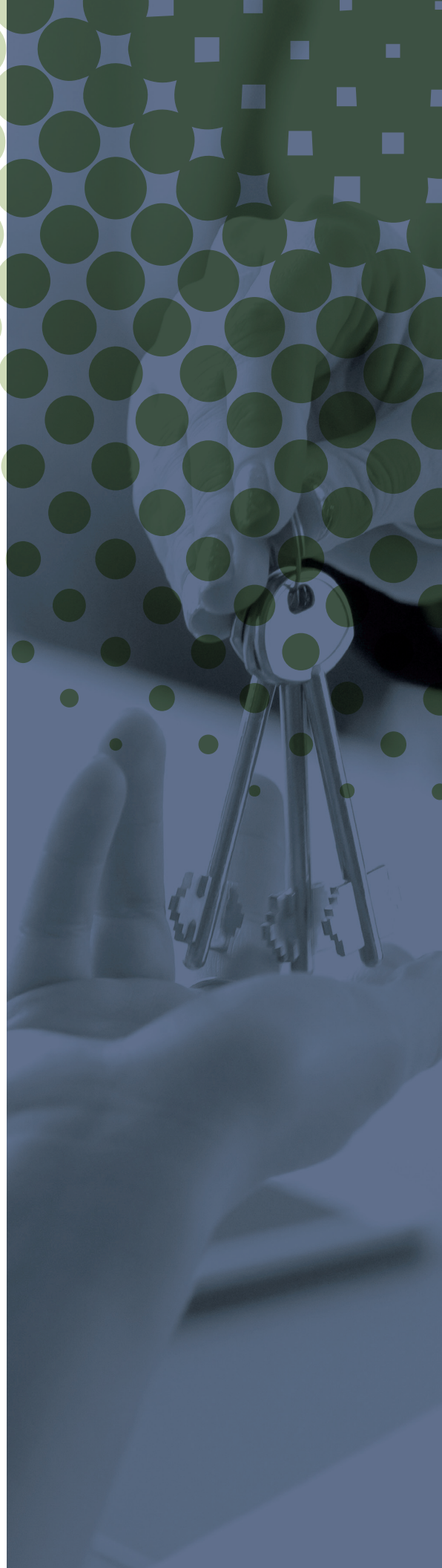
ZIPLOGIX™ POLICY

The revised zipLogix™ privacy policy addresses every category of disclosure set forth in the list above. It also addresses all of the subcategories of information for each major category that our office would expect to find in a strong policy.

The level of detail provided in the zipLogix™ policy exceeds that of the majority of the industry policies reviewed, particularly when referencing the fields of information that are collected from users, at what point user information is collected, and how users' information is used and shared. The thorough description of information collection, use, and sharing practices in the zipLogix™ policy allows users to make informed decisions regarding sharing personal information with zipLogix™.

In the modern era, many websites allow users to share content on their social media accounts or link directly to the website operator's social media accounts. Few privacy policies indicate whether information is collected from a user's social media interactions. The zipLogix™ privacy policy is one of the few industry policies that describes how the website responds when users interact with social media sites.

None of the other industry policies address the variety of security factors zipLogix™ addresses in its policy. zipLogix™'s privacy policy provides comprehensive security disclosures, including identifying the standards of protection used,



the laws that address unauthorized attempts to access information, the types of security measures employed, zipLogix™'s internal storage practices, a disclaimer regarding the inherent vulnerability of the internet, and a disclosure of the user's role in keeping the user's information safe.

zipLogix™'s use of headings, sub-headings, and bulleted lists enhances the readability of its privacy policy. zipLogix™ clearly communicates its privacy practices, using straightforward and well-defined descriptions, in a manner comprehensible by the average user.

“The zipLogix™ policy consistently provided the most detailed description of how it shares user information.”

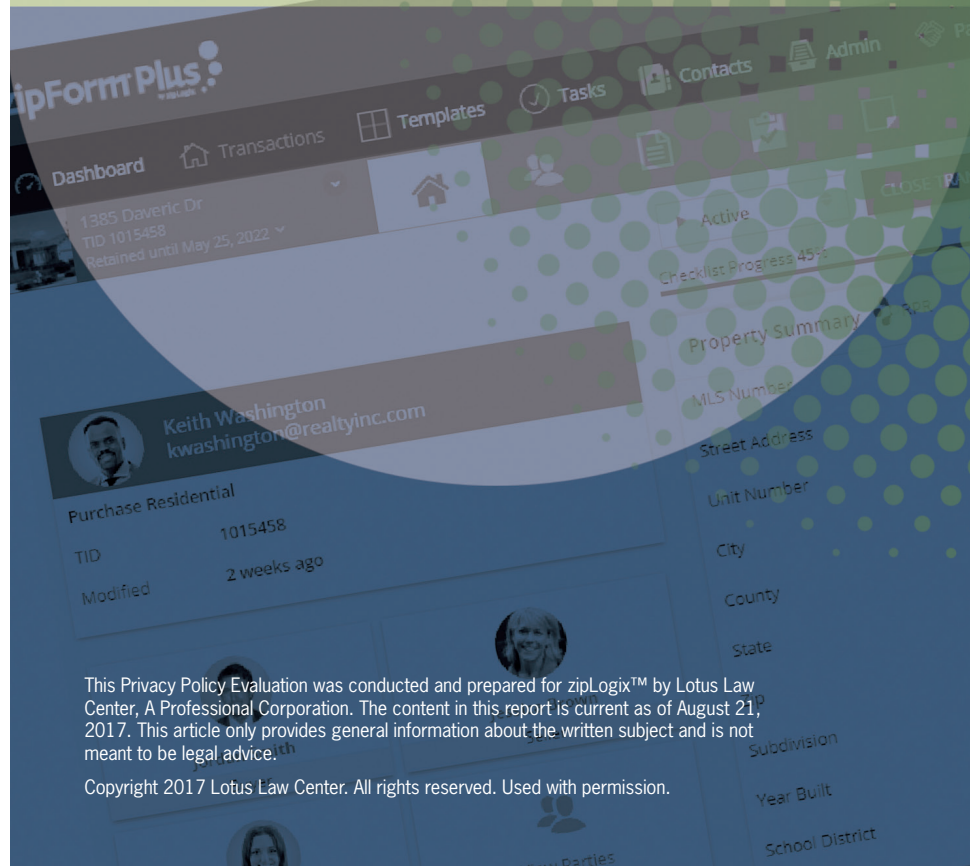
ANALYSIS

Our review concluded that the zipLogix™ policy offers one of the strongest and most transparent policies in the industry. In comparison to its competitors, zipLogix™ provides strong protection of user data and also provides the most extensive disclosures of how it collects and shares users' data.

The quality of the policies from the eleven (11) industry technology providers ranged from excellent to unsatisfactory. Of the policies reviewed, zipLogix™ and three others presented transparent disclosures of their use of user information and privacy practices. The zipLogix™ policy consistently provides the most detailed descriptions of how it shares user information. In comparison, each of the other three was lacking in some respect. For example, when compared with the zipLogix™ policy, these other policies were weakened by:

- failure to include disclosures required by state law;

- weak disclosures regarding international users;
- failure to indicate how the company will respond if it inadvertently collects information from a child under 13 years of age; and/or
- confusing descriptions that affect the policy's readability.



This Privacy Policy Evaluation was conducted and prepared for zipLogix™ by Lotus Law Center, A Professional Corporation. The content in this report is current as of August 21, 2017. This article only provides general information about the written subject and is not meant to be legal advice.th

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CONCLUSION

As identified throughout, zipLogix™ provides the leading industry privacy policy, with transparent disclosures regarding its information collection and disclosure practices. Based on the candid representations made in the policy, users will always know how zipLogix™ proposes to use their information, how their information will be protected, and what third parties have access to their information. Overall, the extensive coverage of the zipLogix™ privacy policy demonstrates a firm commitment to protecting the privacy and security of users' information.



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