

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman
William E. Kovacic
J. Thomas Rosch
Edith Ramirez
Julie Brill

In the Matter of)

CHITI KA, INC.,)
a corporation.)
_____)

DOCKET NO.

COMPLAINT

publishers' websites and contracts with advertisers to place their advertisements on the websites. Respondent refers to the network of publishers from which it purchases advertising space as the "Chitika network."

5. When a consumer visits a website within the Chitika network, respondent sets a new cookie or automatically receives a cookie it has previously set in the consumer's browser (the "Chitika tracking cookie"). Cookies are small text files that are commonly used to store information about a consumer's online activities, including information such as the content or advertisements that a consumer views or the pages a consumer visits within a particular website. Respondent facilitates the setting or receiving of Chitika tracking cookies by providing code to publishers that redirects a consumer's browser to respondent's server with an instruction to request a new cookie or send a cookie previously set by respondent. The communication between the browser and respondent's server occurs almost instantaneously in the background and is not visible to the consumer, unless the consumer uses sophisticated web diagnostics tools.
6. The Chitika tracking cookie contains a unique identification number that allows respondent to recognize the particular consumer or computer and correlate it to online activity. When respondent sets a new Chitika tracking cookie or receives a previously-set Chitika tracking cookie, respondent adds information about the consumer's web browsing activities to the cookie, including, in some instances, the consumer's search terms. Respondent uses this cookie to send advertisements to the consumer that are targeted to his or her interests.
7. As long as a consumer visits a website in the Chitika network on the same browser on the same computer at least once a year, the consumer will indefinitely retain the Chitika tracking cookie in his browser.
8. Respondent stores data contained in Chitika tracking cookies in log files on its servers for up to two years.

RESPONDENT'S STATEMENTS & OPT-OUT

9. From at least May 2008 to the present, respondent disseminated a privacy policy on respondent's website, including but not limited to, the following statements regarding respondent's collection and use of consumer information:

When users visit a page on the Chitika network, one or more cookies - a small file containing a string of characters - are set to the computer that uniquely identifies the user's browser. Chitika uses cookies to improve the quality of the targeting service by storing anonymous activity data and tracking user trends, such as how people search and browse. Users can reset their browsers to refuse all cookies or to indicate when a cookie is being sent. . . .

Chitika encourages and promotes business practices that protect and honor the

16. The acts and practices of respondent, as alleged in this complaint, constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this ___ day of ____, 2011, has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary