

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

Maureen K. Ohlhausen  
Joshua D. Wright  
Terrell McSweeney

*In the Matter of* \_\_\_\_\_ )  
 )  
 )  
 **Contract Logix, LLC,** )  
 **a limited liability company.** )  
 )  
 \_\_\_\_\_ )

DOCKET NO.

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Contract Logix, LLC, a limited liability company, has violated the Federal Trade Commission Act (“FTC Act”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Contract Logix, LLC (“Contract Logix”) is a Delaware limited liability company with its principal office or place of business at 248 Mill Road, Chelmsford, Massachusetts. In August 2012, respondent acquired the assets of Contract Logix, Inc., a corporation with its principal office or place of business at the same address. Respondent acquired, inter alia, the website www.contractlogix.com and has operated that website since August 2012.
2. Respondent Contract Logix describes the business it offers on contractlogix.com as providing contract management software and associated services.
3. The methods and practices of respondent in violation of the FTC Act have been in or affecting
4. Respondent has set forth on its website, www.contractlogix.com, privacy policies and statements about its practices, including statements related to its participation in the Safe Harbor privacy framework agreed upon by the U.S. and the European Union (“U.S.-EU Safe Harbor Framework”).

## The Safe Harbor Framework

5. The U.S.-EU Safe Harbor Framework provides a method for U.S. companies to transfer personal data outside of Europe that is consistent with the requirements of the European Union Directive on Data Protection (“Directive”). Enacted in 1995, the Directive sets forth European Union (“EU”) requirements for privacy and the protection of personal data. Among other things, it requires EU Member States to implement legislation that prohibits the transfer of personal data outside the EU, with exceptions, unless the European Commission (“EC”) has made a determination that the recipient jurisdiction’s laws ensure the protection of such personal data. This determination is referred to commonly as meeting the EU’s “adequacy” standard.
6. To satisfy the EU adequacy standard for certain commercial transfers, the U.S. Department of Commerce (“Commerce”) and the EC negotiated the U.S.-EU Safe Harbor Framework, which went into effect in 2000. The U.S.-EU Safe Harbor Framework allows U.S. companies to transfer personal data lawfully from the EU. To join the U.S.-EU Safe Harbor Framework, a company must self-certify to Commerce that it complies with seven principles and related requirements that have been deemed to meet the EU’s adequacy standard.
7. The seven principles are: notice, choice, onward transfer, security, data integrity, access, and enforcement. Among other things, the enforcement principle requires companies to provide a readily available and affordable independent recourse mechanism to investigate and resolve an individual’s complaints and disputes.
8. Companies under the jurisdiction of the U.S. Federal Trade Commission (“FTC”), as well as the U.S. Department of Transportation, are eligible to join the U.S.-EU Safe Harbor Framework. A company under the FTC’s jurisdiction that claims it has self-certified to the Safe Harbor principles, but failed to self-certify to Commerce, may be subject to an enforcement action based on the FTC’s deception authority under Section 5 of the FTC Act.
9. Commerce maintains a public website, [www.export.gov/safeharbor](http://www.export.gov/safeharbor), where it posts the names of companies that have self-certified to the U.S.-EU Safe Harbor Framework. The listing of companies indicates whether their self-certification is “current” or “not current” and a date when recertification is due. Companies are required to re-

## **Violations of Section 5 of the FTC Act**

### **Misrepresentations Regarding Safe Harbor Participation**

10. In July 2010, Contract Logix, Inc. submitted to Commerce a self-certification of compliance with the U.S.-EU

14. Through the means described in Paragraph 13, respondent represented, expressly or by implication, that it was a current participant in the U.S.-EU Safe Harbor Framework.
15. In truth and in fact, beginning in August 2012, respondent was not a current participant in the U.S.-EU Safe Harbor Framework. Therefore, the representation set forth in Paragraph 14 is false and misleading.
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 \_\_\_\_ 2015, has issued this complaint against respondent.

By the Commission.

Donald S. Clark  
Secretary

SEAL  
ISSUED: