

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Plaintiff, the United States of America, acting upon notification and on behalf of the
alleges that:

1.

1 information online by operators of Internet Web sites and online services. COPPA directed the
2 Commission to promulgate a rule implementing COPPA. The Commission promulgated the
3 COPPA Rule on November 3, 1999, under Section 1303(b) of COPPA, 15 U.S.C. § 6502(b), and . uR1 0 068 50
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 others, he has formulated, directed, controlled, had the authority to control, or participated in the
2 acts or practices of Unixiz, Inc. d/b/a i-Dressup.com, including the acts or practices set forth in
3 this Complaint. Defendant Liu, in connection with the matters alleged herein, transacts or has
4 transacted business in this district and throughout the United States.

5
6 9. Defendant Xichen Zhang is the Secretary of Unixiz, Inc. At all times material to
7 this Complaint, acting alone or in concert with others, she has formulated, directed, controlled,
8 had the authority to control, or participated in the acts or practices of Unixiz, Inc. d/b/a
9 i-Dressup.com, including the acts or practices set forth in this Complaint. Defendant Zhang, in
10 connection with the matters alleged herein, transacts or has transacted business in this district
11 and throughout the United States.

12 **COMMERCE**
13

14
15
16
17 **DEFENDANT BUSINESS PRACTICES**

18 11. Defendants operated i-Dressup.com, a website where users including children
19 played dress up games, designed clothes, and decorated their space. In addition, by
20 participating in i- online community, users would make friends and blog. i-
21 online community encouraged users to explore their creativity and fashion sense with unique
22 personal profiles.
23
24
25
26
27
28

1 17. As of January 1, 2016, i-Dressup had at least 2.1 million users, of which
2 approximately 245,000 entered an under 13 birthdate.

3 **DEFENDANTS ARE SUBJECT TO THE COPPA RULE**

4 18. For purposes of Paragraphs 6 through 35

5
6
7 service directed

8
9 C.F.R. § 312.2.

10 19. The COPPA Rule applies to any operator of a commercial Web site or online
11 service directed to children that collects, uses, and/or discloses personal information from
12 children, or on whose behalf such information is collected or maintained, and to any operator of
13 a commercial Web site or online service that has actual knowledge that it collects, uses, and/or
14 discloses personal information from children. Defendants operated i-Dressup.com, which was a
15 Web site directed to children. i-Dressup stated ost of our members are girls and boys
16 between 7 and 17. Because Defendants collected personal information from users who
17 indicated that they are under thirteen years of age when they registered with i-Dressup,
18 Defendants also have actual knowledge that they collected personal information from children
19 through i-Dressup.
20

21 20. The COPPA Rule defines to include, among other things,
22 a first and last name; a home or other physical address including street name and name of a city
23 or town; online contact information (i.e., an email address or other substantially similar identifier
24 that permits direct contact with a person online, such as an
25
26
27

1 delete parental online contact information if consent is not obtained and a
2 hyperlink to the privacy policy;

- 3 c. obtaining verifiable parental consent prior to collecting, using, and/or disclosing
4 personal information from children;
5
6 d. deleting the parental online contact information if no consent was obtained; and
7
8 e. establishing and maintaining reasonable procedures to protect the confidentiality,
9 security, and integrity of personal information collected from children.

10 COPPA VIOLATIONS

11 23. privacy policy failed to include information that the COPPA Rule
12 requires operators of child-directed Web sites to disclose, such as name, address,
13 telephone number and email address.

14 24. Defendants direct notice failed to include the content that the COPPA Rule
15 requires. Among other things, include a hyperlink to
16 i- inform the recipient that if he/she did not provide
17 consent within a reasonable time, from the date that the direct notice was sent, Defendants
18 would delete the parent s online contact information from i- records. In fact, contrary
19
20 but kept it indefinitely.

21
22 25. Defendants failed to obtain verifiable parental consent. For Safe Mode members,
23 Defendants failed to obtain *any* parental consent, even though such members were covered by
24 COPPA. For other members, the purported parental consent method was inadequate because it
25 was not
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

provider, who notified i-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

d. Failing to delete online contact information of the parent after having failed to obtain consent, in violation of Section 312.5(c)(1)tion 312.5(c)(1)tion 312.5(612 f146 Tm0 g0 G

