Search Engines Tighten Privacy
Data Retention Concerns on Rise

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Tuesday, July 24, 2007, Page D01

Online search companies Google, Yahoo, Ask.com and Microsoft are tightening their privacy policies in the face of mounting public, congressional and regulatory agency concern about the vast amounts of personal data they gather and store.

Yesterday, Microsoft announced it would make all data on search queries anonymous after 18 months. This week, Yahoo is to outline plans to make a user's search history anonymous within 13 months. On Friday, Ask.com said users could ask the firm not to retain their Web searches.

Google, which faces the most scrutiny, announced in March that it would begin to make search-query data anonymous after 18 to 24 months. Last week, the company said it would shorten the lifespan of cookies, which are small files attached to a user's browser. A further refinement of its privacy policy is expected soon.

The moves come as the Federal Trade Commission signaled that it might take action to modify or block Google's $3.1 billion acquisition of DoubleClick, a major online advertising company. In May, the FTC requested additional information about the purchase, a move that typically results in the commission challenging or placing conditions on a deal.

European officials are reviewing Google's data-retention policies and have been asked to study the proposed acquisition, too.

Last week, Rep. Bobby L. Rush (D-Ill.) opened an investigation into the Google purchase and announced his intention to hold a hearing.

"Concerns have focused not only on the implications for competition -- in online advertising and other possibly affected markets -- but also on the potentially enormous impact on consumer privacy," said Rush, chairman of the House Energy and Commerce subcommittee that addresses consumer protection.
In the Senate, Herb Kohl (D-Wis.), chairman of the Judiciary subcommittee on antitrust, also intends to hold a hearing on the DoubleClick sale, spokesman Joe Bonfiglio said yesterday. That hearing is tentatively scheduled for September.

The debate over search-related privacy heated up when advocacy groups in November asked the FTC to investigate consumer profiling by online ad firms, then in April asked the commission to probe Google's purchase of DoubleClick for its impact on consumer privacy.

Marc Rotenberg, executive director of the Electronic Privacy Information Center, welcomed the steps by the Internet search engines to restrict data retention as "important but overdue" and said they must go further.

"They still fall short of providing Internet users with genuine online privacy," said Rotenberg, whose group was among three that filed the April FTC complaint. Microsoft and Ask.com are still putting the burden on consumers to opt out of having their data tracked, he said. The default setting should be no tracking, he said.

Microsoft is acquiring online ad firm aQuantive for $6 billion. That purchase, approved this month by the FTC, will allow advertisers to track users' online activities so the firms can target their ads. Yesterday, Microsoft said that when it starts the service, it will offer customers the ability to opt out of having their Web-surfing habits tracked.

Microsoft's chief privacy strategist, Peter Cullen, said that after 18 months, search data will be stored separately from such information as users' names, search strings, e-mail and Web addresses. Such measures, he said, should prevent lapses like last year's release by AOL of search terms linked to 650,000 users. The New York Times was able to identify a user from clues in the terms.

Privacy advocates have pointed to the AOL case as an example of the risks in retaining search log data.

Cullen said that retaining user data helps give advertisers feedback on ads. It also helps analysts refine search algorithms to show users more relevant ads. Most important, he said, the information helps detect spyware and potential criminal activity on the Internet.

Microsoft and Ask.com yesterday asked the industry and consumer advocates to jointly develop global privacy principles for data collection.

"We hope that this competition for privacy continues," said Alissa Cooper, a policy analyst for the Center for Democracy and Technology.