

DATA PRIVACY & GOVERNANCE HUB

Disney's Violation of Child Privacy Laws

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Key Takeaways

- Disney mislabeled children's content on YouTube, ultimately violating the COPPA rule and enabling the unlawful collection of personal information from millions of minors for targeted advertising without proper parental consent.
- YouTube's policy, which relies on content creators to self-label without independent verification, creates an institutional gap that allows misclassifications to go unchecked and exposes companies to federal compliance failures.
- Disney's settlement reveals a weakness in regulatory enforcement that occurs only after harm has been inflicted, suggesting the need for more preventive regulatory measures focused on proactive compliance.

What Happened

Disney, a leading media conglomerate and prominent producer of children's entertainment, regularly posts on YouTube, where millions of young viewers engage with its TV episodes, music videos, and other digital content. The Federal Trade Commission conducted an investigation in December and [found](#) that Disney failed to properly label these videos as "made for kids", thereby violating the [Children's Online Privacy Protection Rule](#) (COPPA Rule). This legislation "[prohibits website operators](#) from knowingly collecting, using, or disclosing personal information from children under the age of 13, unless they provide notice to and obtain consent from those children's parents". The FTC reported that the mislabeling of this content led to Disney's unlawful collection of personal information from millions of children, data that was ultimately used for targeted advertising. In December, a federal judge

authorized an [order](#) requiring Disney to properly label its videos in compliance with COPPA, institute a 10-year program to review all of its content (old and new), and pay a civil penalty of \$10 million.

Privacy and Governance Concerns

YouTube relies on the content creator to designate whether the videos are “made for kids”, but the platform does not independently verify or perform additional checks to ensure the labels’ accuracy. When a video is labeled as “made for kids,” [YouTube automatically disables](#) certain features, such as comments and targeted advertising. However, any misclassifications can go unnoticed, leaving creators like Disney at risk of violating federal regulations.

This case specifically highlights how companies that present themselves as family-friendly can prioritize profit over children’s privacy rights in the absence of clear legal obligations and enforcement mechanisms. The mislabeling of content clearly manufactured for children allowed Disney to monetize the personal information of minors without the consent of their guardians.

Why It Matters / Policy Considerations

This settlement highlights the vulnerabilities that can be exploited, specifically regarding children’s data privacy in digital spaces, and the importance of regulatory enforcement entities like the FTC, which hold them accountable. This, too, reveals a weakness in ex post regulatory enforcement, in which intervention occurs only after the harm has already been inflicted, allowing data from millions of children to be collected and exploited for Disney’s advertising benefit. Overall, Disney’s violation of COPPA suggests the need for preventive regulatory measures that ensure compliance before wrongdoing occurs, rather than relying primarily on