# BEFORE THE UNITED STATES FEDERAL TRADE COMMISSION Washington, D.C.

In the matter of	)
SVAKOM DESIGN USA LIMITED	) ) )

# Complaint and Request for Investigation, Injunction, and Other Relief

## I. Introduction

 Access Now hereby petitions the United States Federal Trade Commission ("FTC") to investigate the security practices of Svakom Design USA Limited ("Svakom"),<sup>1</sup> "a premium international brand of sexual stimulators designed in the US." As detailed below, Svakom's failure to provide adequate security to users of its devices constitutes an unfair and deceptive trade practice.

## II. Parties

- 2. Access Now in a non-governmental organization established in 2009 to defend and extend the digital rights of users at risk around the world, combining innovative policy, global advocacy, and direct technical support to fight for open and secure communications for all.<sup>2</sup> Access Now provides thought leadership and policy recommendations to the public and private sectors to ensure the internet's continued openness and universality and wields an action-focused global community of nearly half a million users from more than 185 countries. Access Now advocates for user-centric digital security policies that protect sensitive information and promote human rights, including the rights to privacy and freedom of expression.
- 3. Svakom was established in 2006 and was incorporated as a Delaware company in July 2016.<sup>3</sup> The company describes itself as "one of the fastest growing companies in the

<sup>&</sup>lt;sup>1</sup> Sex Toys Vibrator for Women at Online Sex Shop Svakom. Svakom (last visited April 25, 2017), http://www.svakom.net.

<sup>&</sup>lt;sup>2</sup> Home - Access Now. Access Now (last visited April 25, 2017), https://www.accessnow.org.

<sup>&</sup>lt;sup>3</sup> Svakom Design USA Limited, ZoomInfo. Zoom Company Information (on file with Access Now).

adult toy industry...dedicated to the design, research, development, manufacturing[,] and sales of premium sex toys around the world."

## III. Statement of Facts

- 4. The Internet of Things is a growing industry, consisting of internet-enabled devices like activity trackers, household appliances, and vehicles. The growth of the Internet of Things has led to broad consideration of technological and policy guidance for Internet of Things manufacturers or providers of Internet of Things services or products.<sup>5</sup> An array of U.S. federal agencies, including the National Telecommunications and Information Administration, the Federal Trade Commission, and the Department of Homeland Security have examined the privacy and security implications of the Internet of Things.<sup>6</sup> Industry groups and companies have also attempted guidance on the subject, all of which is just a small fraction of the efforts to grapple with this issue around the globe. There has been additional work done in international bodies.<sup>7</sup>
- 5. The self-proclaimed "world's first internet-connected sex toy" was released on the market in 2013.8 By 2015, the Internet of Things industry included several "intimacy" products varying broadly by type and feature.9
- 6. In 2016, Svakom released the "Siime Eye" product, a wi-fi enabled device with a camera enclosed in the end.<sup>10</sup> The camera is controlled via an application that can be

<sup>&</sup>lt;sup>4</sup> About SVAKOM. Svakom (last visited April 25, 2017),

http://www.svakom.net/about/about-svakom.html.

<sup>&</sup>lt;sup>5</sup> Internet of Things Global Standard Initiative. International Telecommunication Union (ITU) (last visited April 25, 2017), http://www.itu.int/en/ITU-T/gsi/iot/Pages/default.aspx.

<sup>&</sup>lt;sup>6</sup> See, e.g., The Department of Commerce Internet Policy Task Force & Digital Economy Leadership Team, *Fostering the Advancement of the Internet of Things* (January 12, 2017),

https://www.ntia.doc.gov/other-publication/2017/green-paper-fostering-advancement-internet-things.

<sup>&</sup>lt;sup>7</sup> Recently, the Body of European Regulators for Electronic Communications (BEREC) published a report on "Enabling the Internet of Things": BEREC, *Report: Enabling the Internet of Things*, BoR (16)39 (February 12, 2016),

http://berec.europa.eu/eng/document\_register/subject\_matter/berec/reports/5755-berec-report-on-enab ling-the-internet-of-things. In Tunisia, the Information and Communications Technology Ministry has published a draft law attempting to deal with the issue, *available at* http://www.legislation.tn/sites/default/files/news/ta20171953.pdf.

<sup>&</sup>lt;sup>8</sup> Lauren Davis, *Internet-connected sex toys let you "access" your long-distance partner*, io9 Gizmodo

<sup>(</sup>March 13, 2013, 3:40 PM), https://io9.gizmodo.com/internet-connected-sex-toys-let-you-access-your-long-453555520.

<sup>&</sup>lt;sup>9</sup> See, e.g., Cheish Merryweather, 10 Virtual Reality Sex Toys You Won't Believe Actually Exist, The Richest (June 10, 2015),

http://www.therichest.com/rich-list/most-shocking/10-virtual-reality-sex-toys-you-wont-believe-actually-exist/.

<sup>&</sup>lt;sup>10</sup> Wireless Camera Vibrator for Women, Svakom (last visited April 25, 2017),

http://www.svakom.net/Siime-Eye/. Unrelated to the present complaint but relevant to the Svakom's overall approach to security and privacy, it should be noted that Svakom has not implemented traffic

downloaded on a computer, smartphone, or tablet. The Siime Eye product is advertised by its ability to share captured photos and videos with a partner. The Siime Eye is a follow-up to the Gaga and Siime products, neither of which included wi-fi capability.<sup>11</sup> Svakom actively encourages the use of the Siime Eye product in an wide array of intimate settings.



Screenshot: Svakom Siime Eye product page



Screenshot: Svakom Siime Eye product page

7. On March 30, 2017 at a panel entitled "Let's Talk About Sex Toy Security" held at RightsCon, an annual conference on the future of the internet organized by Access Now, technologist Ken Munro of Pen Test Partners explained that he had discovered a vulnerability in the Siime Eye software that allowed the devices' video feed to be

encryption for website traffic, an industry standard practice, and does not seem to have a privacy policy detailing its handling of personal data.

<sup>&</sup>lt;sup>11</sup> See, e.g., Christopher Hooten, *The 'sex selfie stick' lets you FaceTime the inside of a vagina*, Independent (March 2, 2015, 2:39 PM),

https://www.independent.co.uk/news/weird-news/the-sex-selfie-stick-lets-you-facetime-the-inside-of-a-vagina-10080436.html; https://www.joysextoysonline.com.au/products/svakom-gaga.

accessed remotely.<sup>12</sup> He then demonstrated how to compromise the vulnerability live, which took approximately 2 minutes to complete, allowing him full access to the video feed from the Siime Eye's camera.

- 8. The method was further expounded upon in an article in Motherboard by Lorenzo Franceschi-Bicchierrai: "Hackers from the UK-based security firm Pen Test Partners have found that it's trivially easy to hack into a Svakom Siime Eye, a \$249 Internet of Things dildo that has a small camera on its tip, allowing users to stream a video to anyone of their choosing over the internet. However, if you're in Wi-Fi range of the dildo and can guess the password, which by default is "88888888," you can watch the video stream....By reverse engineering the firmware [the researchers] found a way to get root—hacker speak for taking full control of it—and get persistence on the device, meaning that he could connect to it even outside the range of the Wi-Fi."<sup>13</sup>
- 9. The vulnerabilities were further explained on Pen Trust Partner's website: "In this case, overexposure of system services means we could write a rogue application, compel a user to connect our app to the device using the default credentials, and then use the already-inbuilt functionality to perform unsolicited actions on the device. If we could get a user to connect their device to their home Wi-Fi, we (or any website loaded within the user's home network, in a JavaScript drive-by) could siphon all video data, Wi-Fi passwords, and a list of local networks off it and send it somewhere unsolicited."<sup>14</sup>
- 10. In the Motherboard article, Ken Munro made clear that attempts were made to contact Svakom prior to the publication of the story but that no response was received. Following the publication of the story in Motherboard, the webpage for the Siime Eye was updated to include the following warning: "We have created a default password '88888888' so that user can access the Siime Eye but in our Mobile Application interface (for both Android and iOS) we have started to change the password to ensure privacy. We have given clear instructions in User Manual of Siime Eye about how to change password. We always recommend our users to create a strong password." No other change was found in the materials associated with the product.

<sup>&</sup>lt;sup>12</sup> Barbara Wimmer, *Vernetztes Sex-Speilzeug wirft viele rechtliche Fragen auf*, Futurezone (March 31, 2017, 6:34 PM),

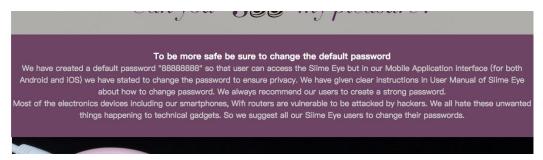
https://futurezone.at/digital-life/vernetztes-sex-spielzeug-wirft-viele-rechtliche-fragen-auf/255.544.906.

<sup>13</sup> Lorenzo Franceshi-Bicchierai, *Hackers Can Easily Hijack This Dildo Camera and Livestream the Inside of Your Vagina (or Butt)*, Motherboard (April 3, 2017, 10:00 AM),

https://motherboard.vice.com/en\_us/article/camera-dildo-svakom-siime-eye-hacked-livestream?utm\_so urce=mbfb.

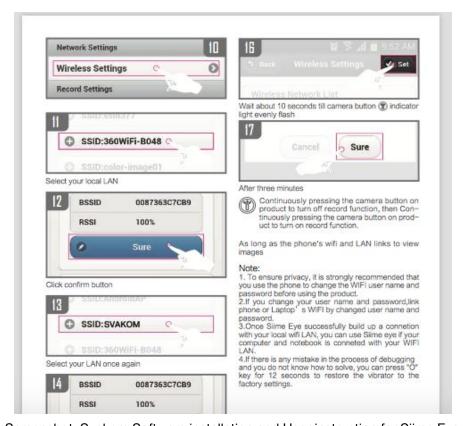
<sup>&</sup>lt;sup>14</sup> Vulnerable Wi-Fi dildo camera endoscope. Yes Really. Pen Test Partners (April 3, 2017), https://www.pentestpartners.com/blog/vulnerable-wi-fi-dildo-camera-endoscope-yes-really/.

<sup>&</sup>lt;sup>15</sup> Wireless Camera Vibrator for Women, Svakom (last visited April 25, 2017), http://www.svakom.net/Siime-Eye/ (errors in original).



Screenshot: Svakom Siime Eye product page

11. The Siime Eye's User Manual is 12 pages long and includes separate sections for use on four operating systems (iOS, Android, MacOS, and Windows). <sup>16</sup> Each section has several full-color screenshots giving precise directions on how to connect the device. No screenshot demonstrates how to change the default password nor encourages the user to do so. At the end of each of the four sections there is a final text-only "Note" that, among other technical information, does prompt the user, "To ensure privacy, it is strongly recommended that you use your phone to change the WIFI user name and password before using the product." There are no further instructions on how to do so.



Screenshot: Svakom Software installation and User instruction for Silme Eye

<sup>&</sup>lt;sup>16</sup> Software installation (attached as Exhibit 1)

## IV. Grounds for Relief

- 12. The Federal Trade Commission Act prohibits companies from engaging in unfair and deceptive acts and practices.
- 13. The Federal Trade Commission has the authority to enforce the provisions of the Federal Trade Commission Act.<sup>17</sup>

## Svakom's failure to provide proper security is an unfair trade practice.

- 14. An act or practice is considered unfair if it "causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition." In its complaint against Wyndham Worldwide Corporation, et al, the FTC alleged that it was an unfair trade practice to fail to "employ reasonable and appropriate measures to protect personal information against unauthorized access." Later, the FTC filed a complaint against HTC America for unfair trade practices due to the failure "to employ reasonable and appropriate security practices in the design and customization of the software on its mobile devices."
- 15. Svakom failed to employ reasonable and appropriate security measures to protect the most personal information of its customers, namely pictures and videos of their intimate moments and places. Furthermore, when security experts attempted to bring the problem to their attention they ignored the notification and took no additional steps to increase the device security.
- 16. Svakom's failure is likely to cause or have caused substantial injury. The sensitive and intimate personal information at stake here could lead to the loss of professional opportunities as well as harassment, severe reputational and emotional impacts, and other substantial privacy impacts.
- 17. Users could not have reasonably avoided the harm at stake here. The default settings on the device allow for easy access by unauthorized third parties. While vague instructions are given to change those settings, no actual guidance on how to do so is provided. Further, there is no advice provided on how to alter the network name of the device which further contributes to its insecurity.

<sup>&</sup>lt;sup>17</sup> Federal Trade Commission Act, 15 U.S.C § 45(5)(a) (2016), available at https://www.federalreserve.gov/boarddocs/supmanual/cch/ftca.pdf at 8. <sup>18</sup> *Id.* at 7.

<sup>&</sup>lt;sup>19</sup> FTC v. Wyndham Worldwide Corporation et al. 2:12-cv-01365-SPL (June, 26, 2012), available at https://www.ftc.gov/sites/default/files/documents/cases/2012/06/120626wyndamhotelscmpt.pdf. <sup>20</sup> FTC v. HTC America Inc. C-4406 (June 25, 2013), available at https://www.ftc.gov/sites/default/files/documents/cases/2013/07/130702htccmpt.pdf.

18. There is no discernable countervailing benefit from the devices' gross insecurity other than a slightly quicker process to set-up the device. While that may be beneficial in certain circumstances, that cannot be said to outweigh the need to use the device securely and away from unwanted prying eyes.

## Svakom's failure to provide proper security is a deceptive trade practice.

- 19. The FTC considers a "representation, omission, or practice" to be deceptive "if it is likely to mislead a consumer acting reasonably under the circumstances and is likely to affect a consumer's conduct or decision regarding a product or service."<sup>21</sup>
- 20. While Svakom does not make any affirmative representations about the security of the Siime Eye, the company does actively encourage its use in ways that would lead an ordinary consumer to reasonably assume that the images captured by the device would be properly secured.
- 21. The failure to properly secure the data captured by the Siime Eye would most certainly affect a user's decision of whether or not to purchase the product. Given the intimate purpose for which the product is designed and marketed, most potential customers would almost certainly view the unwelcome use of data captured by the device as an incredible violation of their privacy and their personhood. While some individuals may not mind third party access to personal data, this is by no means a feature of the device.

# V. Request for Injunction and Other Relief

Due to the extreme nature of the privacy violation at risk due to Svakom's grossly inadequate security practices Access Now respectfully requests the Federal Trade Commission to conduct an investigation pursuant to its legislative and regulatory authorities.<sup>22</sup> Such an investigation is even more important given the growing trend to provide internet connectivity for sex toys and other related products without proper thought given to digital security problems. The intimate nature of these devices amplifies the importance for administrative action since users may be discouraged from filing challenges in U.S. courts due to fear of stigmatization or character assassination.

Based on Svakom's unfair and deceptive trade practices, Access Now specifically asks the FTC to:

<sup>&</sup>lt;sup>21</sup> See *supra*. note 17 at 7.

<sup>&</sup>lt;sup>22</sup> 15 U.S.C. §§ 46, 49, 57b-1 & 16 CFR §§ 2.1-2.2.

- Order Svakom to halt the sale of the Siime Eye products and recall all products that have been sold to users, subject to a full and complete refund;
- To the extent that products cannot be fully recalled, to cause Svakom to develop and push security updates and notifications to users of the discovered vulnerabilities to provide an additional layer of security;
- Implement a comprehensive privacy and security audit of its products and services, particularly to the extent that it plans to continue offering internet-connected devices, and regularly report to the FTC on the privacy and security measures undertaken pursuant to the audit;
- Provide such other relief as the FTC finds necessary and appropriate.

Respectfully Submitted,

Amie Stepanovich
U.S. Policy Manager and Global Policy Counsel
Access Now

# Exhibit 1 Svakom "Software installation and User instruction for Siime Eye"

# **SVAKOM**

Software installation and User instruction for Silme Eye Silme Eye 软件安装与使用说明



# When using IOS system

# Software installation and User instruction for Siime eye

Download Software





Install the software after download

#### Watch the image

Continuously pressing the camera button on product for 2 seconds to turn on record function, wait 10 seconds till light on camera button indicator light starts to flash

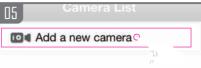






Password: 88888888











It is not permitted to enter any other information here, just select save option.





• The mobile phone can be rotated 90 degrees to full screen viewing
Please finish watching 1 to 7 operation in the images

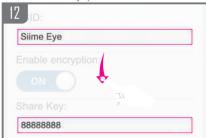








Swipe the screen As shown in Figure and seek out SSID and shared key option box



Enter user name and pass word(must be eight numbers) then back to the top of page





After complete installation, wait about 10s till camera button@indicator light starts to flash then connect the WIFI under the name of new settings

LAN link

This step will connected the wireless signal with your local WIFI LAN; after the step completed, you can watch the video shot by Siime Eve on the laptop while surfing the internet.

Please assure to complete Step 1-7

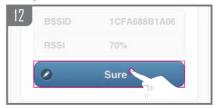








Select your local LAN

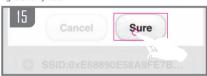




Input the password for your local LAN



Wait about 10 seconds till camera button 
indicator light evenly flash



After three minutes



Continuously pressing the camera button on product to turn off record function, then Continuously pressing the camera button on product to turn on record function

As long as the phone's wifi and LAN links to view images

#### Note:

- 1. To ensure privacy, it is strongly recommended that you use the phone to change the WIFI user name and password before using the product.
- 2.If you change your user name and password,link phone or Laptop's WIFI by changed user name and password.
- 3.Once Siime Eye successfully build up a connetion with your local wift LAN, you can use Siime eye if your computer and notebook is conneted with your WIFI LAN.
- 4. If there is any mistake in the process of debugging and you do not know how to solve, you can press "O" key for 12 seconds to restore the vibrator to the factory settings.





# Software installation and User instruction for Siime eye

Download Software











#### Watch the image



Continuously pressing the camera button on product for 2 seconds to turn on record function, wait 10 seconds till light on camera button indicator light starts to flash







Password: 88888888











It is not permitted to enter any other information here, just select save option.





The mobile phone can be rotated 90 degrees to full screen viewing

• Change wifi user name and password Please finish watching 1 to 7 operation in the images









Swipe the screen As shown in Figure and seek out SSID and shared key option box



Enter user name and pass word(must be eight numbers) then back to the top of page





After complete installation, wait about 10s till camera button indicator light starts to flash,then connect the WIFI under the name of new settings

#### LAN link

This step will connected the wireless signal with your local WIFI LAN; after the step completed, you can watch the video shot by Silme Eye on the laptop while surfing the internet.

Please assure to complete Step 1-7

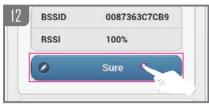








Select your local LAN



Click confirm button



Select your LAN once again



Click again the OK button once again



Input the password for your local LAN



Wait about 10 seconds till camera button (\*\*) indicator light evenly flash



After three minutes



Continuously pressing the camera button on product to turn off record function, then Continuously pressing the camera button on product to turn on record function.

As long as the phone's wifi and LAN links to view images

#### Note:

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### When using MAC

# Software installation and User instruction for Silme eye

Download Software











Install the software after download



Link Siime Eye to MAC'S WIFI



Siime eve initial password for 88888888



Double click the Icon



Click here



Name: admin Password: (blank)



Click here to view image

#### Note:

- 1. To ensure privacy, it is strongly recommended that you use your phone to change the WIFI user name and password before using the product.
- 2. If you change your user name and password, llink phone or Laptop's WIFI by changed user name and password.
- 3. If you want to watch the video shot by Siime Eye on the laptop while surfing the internet, please connect Siime Eye with your local LAN by your phone and input the name and password for such LAN. For detailed steps for linking to LAN, please refer to LAN link in Installment and Use Instructions to Siime Eye of Android Users.
- 4.Once Siime Eye successfully build up a connetion with your local wifi LAN, you can use Siime eye if your computer and notebook is conneted with your WIFI I AN
- 5. If there is any mistake in the process of debugging and you do not know how to solve, you can press "O" key for 12 seconds to restore the vibrator to the factory settings.





When using Windows

# Software installation and User instruction for Siime eye

Download Software











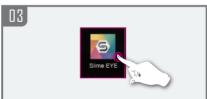
Install the software after download



Link Siime Eye to MAC'S WIFI



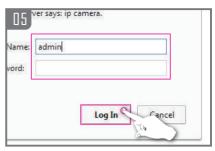
Siime Eye initial password for 88888888



Double click the Icon



Click here



Name: admin Password: (blank)



Click here to view image

#### Note:

- 1. To ensure privacy, it is strongly recommended that you use your phone to change the WIFI user name and password before using the product.
- If you change your user name and password, llink phone or Laptop' s WIFI by changed user name and password.
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- 4.Once Sime Eye successfully build up a connetion with your local wifi LAN, you can use Sime Eye if your computer and notebook is conneted with your WIFI LAN.
- 5. If there is any mistake in the process of debugging and you do not know how to solve, you can press "O" key for 12 seconds to restore the vibrator to the factory settings.



#### About Siime Eve:

The Silme Eve is a wireless micro internal-camera vibrator and the updated version of the Silme. This product uses a WIFL enabled internal-camera with state of the art visualization technology. Pictures and video are transmitted wirelessly to a computer, smart phone or a tablet through WIFI broadcasted from the product itself. The Sime Eve has 4 small LED lights that surround the rim of the built-in camera lens at the tip. The massager can be wirelessly connected by installing an app on your computer or mobile phone, it can display what the camera is seeing and allows you the option of saving pictures or video on to your computer or mobile phone. The app allows you full control over the video recording and photograph functions. The Siime Eve's maximum wireless distance is up to 30 Meters (100 Feet) and the Siime Eye can connect to more than one mobile phone or computer simultaneously to give you more flexibility however you wish to use the Siime Eye. Finally, the Siime Eve has 6 vibration modes, is 100% waterproof and its sleek design and size will surely help you enact all your fantasies.

#### Product features:

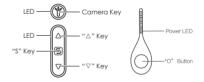
- (a) Wireless Video Camera Vibrator
- Quick USB Charaina
- S SVAKOM Intelligent Mode
- One Button Power Indicator
- Fully submergible 100% waterproof
- Whisper Quiet
- Environmental Friendly Material
- Violet
  - Pale Pink



#### 1.Vibratina mode (5 +1)

- Normal mode
- Caressing mode
- Jovous mode
- Passionate mode
- Climax mode
- · SVAKOM mode(short for S mode)

Please visit www.svakom.net for complete User's Manual.



#### 2.The basic functions of buttons

On/Off

Press the "S" button for 2secs

· S mode · Repeat the S mode Click the "S" key (in the non-S mode) Double click "S" button (in S mode)

· Enhancina vibration

Weakening vibration

Click "∇" key

Enter into Last mode

Double-click "△" key

Enter into Next mode

On/off camera

function

connected to the computer)

· Power check

Reset

Click the "△" kev

Double-click "∇" key

Press the camera button (data cable

Press the button "O"

Press the button "O" for 10 secs and release

### 3. Status display

Working status

Lastina white liaht

 Vibrator OFF Low battery

White light flashes three times contiguously and then turns off Red light flashes three times

White light continuous bright

Charaina status

contiquously and then turns off White light flashing

 Charaed fully Camera status

Lastina white light

#### **FCC Caution:**

Any changes or modifications not expressly approved by the party responsible for compliance could void the user's authority to operate this equipment. This device complies with Part 15 of the FCC Rules. Operation is subject to the following two conditions: (1) This device may not cause harmful interference, and (2) this device must accept any interference received, including interference that may cause undesired operation.

#### NOTE:

This equipment has been tested and found to comply with the limits for a Class B digital device, pursuant to Part 15 of the FCC Rules. These limits are designed to provide reasonable protection against harmful interference in a residential installation. This equipment generates, uses and can radiate radio frequency energy and, if not installed and used in accordance with the instructions, may cause harmful interference to radio communications. However, there is no guarantee that interference will not occur in a particular installation. If this equipment does cause harmful interference to radio or television reception, which can be determined by turning the equipment off and on, the user is encouraged to try to correct the interference by one or more of

the following measures:

- -- Reorient or relocate the receiving antenna.
- Increase the separation between the equipment and receiver.
- -- Connect the equipment into an outlet on a circuit different from that to which the receiver is connected.
- Consult the dealer or an experienced radio/TV technician for help.