

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

COMMISSIONERS: Timothy J. Muris, Chairman
Sheila F. Anthony
Mozelle W. Thompson
Orson Swindle
Thomas B. Leary

In the Matter of

**JUNO ONLINE SERVICES, INC.,
a corporation.**

**DECISION & ORDER
DOCKET NO. C-4016**

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the draft complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated or that the facts, as alleged in the complaint, other than jurisdictional facts, are true; and

The Commission having considered the matter and having determined that it had reason to believe that the respondent has violated the Act, and that a complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional finding and enters the following order:

- 1.

office or place of business at 1540 Broadway, New York, NY 10036.

and relevance of the information it leads to, is on the same Web page or other electronic page, and proximate to the triggering representation, and takes the consumer directly to the disclosure on the click-through electronic page or other display screen or panel.

4. "Commerce" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

I.

IT IS ORDERED that respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale or distribution of any electronic mail, Internet, or other online service in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication:

- A. the price or cost to consumers of such service;
- B. the ability of or terms by which consumers can cancel any such service;
- C. the amount of time consumers have to use such service during any free trial period without incurring any charges or fees;
- D. that any such service is available for purchase when it is not; and
- E. the purpose for which respondent is requesting or collecting credit card or any other personally identifying information from consumers.

II.

IT IS FURTHER ORDERED that respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale or distribution of any electronic mail, Internet or other online service, in or affecting commerce, shall not begin to compute:

- A. the billing cycle for such service; or
- B. any free trial period for such service,

until the consumer is able to access such electronic mail, Internet or other online service.

Provided that, where an existing subscriber to any of respondent's services requires a software upgrade or any new or existing subscriber requires a hardware installation to use any such electronic

mail, Internet or other online service in the manner advertised, respondent may comply with this Part if it provides clear and conspicuous notice, prior to such subscriber registering for such service, of the date certain from which respondent will begin to compute the (i) billing cycle for such service; or (ii) any free trial period for such service.

III.

IT IS FURTHER ORDERED that respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale or distribution of any electronic mail, Internet or other online service, in or affecting commerce, shall disclose, clearly and conspicuously:

- A. in any advertisements or promotional materials for such service, any and all obligations of the consumer to cancel the service to avoid incurring any charges or fees; and
- B. during the registration process for any such service and thereafter, in a manner that is readily accessible by consumers: (1) all cancellation procedures consumers must follow to cancel the service; and (2) the date certain by which consumers must cancel the service to avoid incurring any charges or fees.

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(IT IS FURTHER ORDERED that respondent, directly or through any corp

electronically to any consumer whose request for cancellation through a toll-free telephone number is not answered by respondent within 2 minutes;

- B. maintain adequate customer support to receive and process consumers' requests for cancellation of any such service; and
- C. process promptly any consumer's request for cancellation of any such service and terminate such service prior to the next billing cycle.

V.

IT IS FURTHER ORDERED that respondent, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale or distribution of any electronic mail, Internet or other online service that is sold or distributed in connection with the purchase of another product or service, shall not make any representation, in any manner, expressly or by implication, about the price or cost to consumers of such electronic mail, Internet or other online service, or of such other products or services, unless it clearly and conspicuously discloses:

- A. the dollar amounts of any and all fees, charges, rebate repayments, and other costs consumers are required to pay to cancel any such electronic mail, Internet or other online service;
- B. that consumers may have to pay long distance telephone charges, or if it is the case, any other

for any such service, the information required by Part VI. A through D above.

division, or other device, shall offer reimbursement to certain present and former subscribers of its electronic mail and Internet access services as provided in the Part.

SUBSCRIBERS ELIGIBLE FOR REDRESS NOTIFICATION LETTERS

- A. Respondent shall notify by the means required in subpart B of this Part any present or former subscriber of its electronic mail or Internet service who prior to service of this order:
 - 1. subscribed to such service as part of a rebate program that required the purchase of another product or service and subscription to respondent's Internet access service for a period of more than a month; or
 - 2. canceled his or her subscription(s) to such service and:
 - a. identified the unavailability of a local access number as a reason for the cancellation(s); or
 - b.

envelope, one-quarter of an inch beneath the return address. Except as otherwise provided by this order, no information other than that required by this Part shall be included in or added to the above items, nor shall any other material be transmitted therewith.

Respondent shall also mail the appropriate "Refund Offer Notification Letter and Application Form" to any such former subscriber whose mailing is returned by the U.S. Postal Service as undeliverable and for whom respondent thereafter obtains a corrected address via the National Change of Address ("NCOA") registry. Respondent shall retain a NCOA licensee to update its list of such former subscribers under this subpart by processing the list through the NCOA database. The mailing required by this subpart shall be made within ten (10) days of respondent's receipt of a corrected address or information identifying each such former subscriber.

- C. Respondent shall send, by first class mail, exact copies of:
1. the "Refund Offer Notification Letter and Application Form" attached hereto as Attachment A to any subscriber identified under subpart A.1 of this Part who

such service, for which any such subscriber has not been previously reimbursed. Provided that, in cases where any such subscriber has received partial reimbursement for such toll charge(s), respondent shall reimburse such subscriber for the remainder of such charge(s.) Provided further that, each such subscriber identified under subparts A.1 or A.2 of this Part shall provide respondent with a copy of the subscriber's telephone bill(s) reflecting the toll charge(s) incurred. Provided, however, in the event a subscriber who applies for reimbursement incurred such telephone charge(s) at least 18 months prior to the date his or her "Refund Application Form," appended to either Attachment A or Attachment B of this order, is postmarked, respondent shall:

- a. reimburse an amount not to exceed one hundred dollars (\$100) to any such subscriber who provides:
 - (1) a written declaration indicating the amount of the telephone charges incurred and that his or her telephone company is unable to send a copy of the telephone bill(s) because such charges were incurred at least 18 months prior to the date such declaration is signed; and
 - (2) a copy of a check (or checks) or other form of payment for the toll charge(s); and
 - b. reimburse an amount not to exceed fifty dollars (\$50) to any such subscriber who only provides respondent with a written declaration indicating the amount of the telephone charges incurred and that his or her telephone company is unable to send a copy of the telephone bill(s) because such charges were incurred at least 18 months prior to the date such declaration is signed.
2. not require repayment of the rebate received by any subscriber identified under subpart A.1 of this Part:
- a. who has canceled or who cancels respondent's Internet service within ninety (90) days after the date of service of this order; and
 - b. for whom no local telephone number is available to access such service;

postmarked within sixty (60) days of receiving it, and who fulfills the requirements set forth in subpart D of this Part. Respondent shall send each reimbursement check by first-class mail, postage prepaid, within thirty (30) days of receipt of each eligible subscriber's properly completed "Refund Application Form." The front of the envelope transmitting reimbursement checks shall be in the form set forth in Attachment E to this order.

copies of this order and the notice attached hereto as Attachment F, to any third party with which respondent has entered into a contract or any other agreement, prior to the entry of this order, for the advertising, promotion, or sale of respondent's electronic mail, Internet, or other online service as part of any rebate program requiring the purchase of another product or service and subscription to respondent's Internet access service for a period of more than a month.

XIV.

IT IS FURTHER ORDERED that respondent Juno Online Services, Inc., and its successors and assigns shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as practicable after obtaining such knowledge. All notices required by the Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

XV.

IT IS FURTHER ORDERED that respondent Juno Online Services, Inc., and its successors and assigns shall, within sixty (60) days after service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

XVI.

This order will terminate twenty on June 25, 2021, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided further that, if such complaint is dismissed or a federal court rules that respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission, Chairman Muris not participating.

Donald S. Clark
Secretary

ISSUED: June 25, 2001

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