

**UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION**

**COMMISSIONERS: Jon Leibowitz, Chairman  
J. Thomas Rosch  
Edith Ramirez  
Julie Brill  
Maureen K. Ohlhausen**

\_\_\_\_\_  
In the Matter of )  
 )  
 )  
**COMPETE, INC.,** )  
 )  
 **a corporation.** )  
 )  
 )  
\_\_\_\_\_  
 )

DOCKET NO. \_\_\_\_\_

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Compete, Inc. (“Compete”

of the websites they visited. (*See* Compete Toolbar, Exhibit 1, formerly available from [www.compete.com](http://www.compete.com)). The second product was the Consumer Input Panel, which allowed consumers to win rewards while expressing their opinions to companies about products and services. (*See* Consumer Input Panel, Exhibit 2, formerly available from [www.consumerinput.com](http://www.consumerinput.com)).

5. In addition, Compete licensed its data collection software for third parties for their use, including incorporating into their own toolbars or rewards programs. In all cases the data gathered through Compete's data collection software was sent to Compete.
6. As of the end of October 2011, Compete had collected data from more than 4 million consumers.

### **Compete's Tracking of Consumers' Activities**

7. When consumers installed the Toolbar, they were prompted to either leave enabled or to disable a feature the company referred to as "Community Share." (*See* Exhibit 3). Compete provided the following description of the "Community Share" option:

By joining Community Share, the web pages you visit will be anonymously pooled with the Compete community to provide site trust rankings and analytics.

*See* Compete Toolbar Setup, Exhibit 3.

Enabling "Community Share" activated Compete's ability to collect data about the consumer.

8. When consumers signed up for the Consumer Input Panel, Compete made statements such as the following:

[W]e measure your behavior as well as your opinions. Consumer Input utilizes a piece of software stored on your computer that anonymously transmits aspects of your Internet browsing behavior so that we can understand the sites, products and services you interact with.

*See, e.g.,* Consumer Input Panel Registration, Exhibit 4.

Compete always collected data about consumers who participated in the Consumer Input Panel.

9. In addition, in its general privacy policy, Compete made the following statement about “click-sharing,” which refers to the consumers’ sharing of data with Compete:

When you download Compete software, including the Compete Toolbar, you will be given the option of enabling click-sharing. Should you opt-in to click-sharing you will begin to anonymously share the addresses of the web pages you visit onl



## Compete's Data Security Practices

16. In addition to the representations made about the collection of data, Compete made statements about the security of user data such as the following:

We take reasonable security measures to protect against unauthorized access to or unauthorized alteration, disclosure or destruction of personal information. These measures include internal reviews of our data collection, storage and processing practices and security practices.

*See General Compete Privacy Policy, Exhibit 5.*

17. Respondent engaged in a number of practices that, taken together, failed to provide reasonable and appropriate security for consumer information collected and transmitted by Compete. Among other things, respondent:
- a. created unnecessary risks of unauthorized access to consumer information by transmitting sensitive information from secure web pages, such as financial account numbers and security codes, in clear readable text over the Internet;
  - b. failed to design and implement reasonable information safeguards to control the risks to customer information; and
  - c. failed to use readily available, low-cost measures to assess and address the risk that the data collection software would collect sensitive consumer information that it was not authorized to collect.
18. These security failures resulted in the creation of unnecessary risk to consumers' personal information. Compete transmitted the information it gathered – including sensitive information – over the Internet in clear readable text. Tools for capturing data in transit over unsecured wireless networks, such as those often provided by (b) (7) (C) providers, are available to consumers.



#### **Count 4**

26. As described in Paragraphs 10-12, 15 and 17-18, respondent's failure to employ reasonable and appropriate measures to protect consumer information – including credit card and financial account numbers, security codes and expiration dates, and Social Security numbers – caused or was likely to cause substantial injury to consumers that was not offset by countervailing benefits to consumers or competition and was not reasonably avoidable by consumers. This practice was, and is, an unfair act or practice.
27. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this \_\_\_\_\_ day of \_\_\_\_\_, 2012, has issued this complaint against respondent.