

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

_____)	
In the Matter of)	FILE NO. 962-3096
)	
COMPUSERVE, INC.,)	AGREEMENT
a corporation.)	CONTAINING
)	CONSENT ORDER
_____)	

The Federal Trade Commission has conducted an investigation of certain acts and practices of CompuServe, Inc., a corporation, (“proposed Respondent” or

agreement and so notify proposed Respondent, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

5. This agreement is for settlement purposes only and does not constitute, for the purpose of this agreement or for any other purpose, any admission by proposed Respondent that any law has been violated as alleged in the draft complaint, or that any

shall only mean a natural person.

4. "Electronic Fund Transfer," as defined by the Electronic Fund Transfer Act, 15 U.S.C. § 1693a(6), means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephone, or computer or magnetic tape so as to order, instruct, or authorize a Financial Institution to debit or credit an Account, except that it does not mean a transaction made using a debit card or debit card account which a consumer has identified as a credit card or credit card account.

5. "Online Service" shall mean a Respondent-Controlled access, information, communication, or transaction service which is made available to Consumers as a paid service via connection by computers, modems, or other means, to a proprietary or non-proprietary network of telecommunication or computer facilities.

6. Unless otherwise specified, "Respondent" shall mean CompuServe, Inc., its successors and assigns, and its officers, agents, servants, divisions, and employees.

7. "Respondent-Controlled" shall mean Respondent makes the management decisions affecting compliance with the provisions of this order.

8. "In or affecting 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 Respondent-Controlled corporation, subsidiary or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Online Service in or affecting commerce, shall not misrepresent, expressly or by implication, the terms or conditions of any trial offer of any Online Service.

II.

IT IS FURTHER ORDERED that Respondent, directly or through any Respondent-Controlled corporation, subsidiary, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Online Service in or affecting commerce, shall not represent, expressly or by implication, that the Online Service is offered "free," "without risk," "without charge," "without further obligation," or words of similar import denoting or implying the absence of any obligation on the part of the recipient of such offer to pay for the Online Service unless Respondent discloses

- A. The financial terms and conditions of any plan or practice (*e.g.*, trial offer) by which Consumers enroll in or renew enrollment in such Online Service and by which, accordingly, Respondent charges the Consumer; provided, that if such plan or practice exists, Respondent must also disclose clearly and prominently any obligation of the recipient to cancel or take other affirmative action to avoid charges for use of the Online Service and provide at least one reasonable means by which the Consumer may effectively cancel his or her enrollment by a date certain and thereby avoid further charges; and
- B. Any mandatory membership, enrollment, or usage fees (*e.g.*, monthly or hourly usage charges).

Provided, however, that for purposes of this Paragraph III, a disclosure is "clearly

- B. Fail to provide any Consumer with advance notice of Electronic Fund Transfers from the Consumer's Account varying in amount from previous transfers as required by Section 907(b) of the Electronic Fund Transfer

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.

Signed this _____ day of _____, 1997.

COMPUSERVE, INC.:

By: _____
STEPHEN HEATON, ESQ.
General Counsel and Secretary
CompuServe, Inc.

FEDERAL TRADE COMMISSION:

STEVEN D. SILVERMAN

NINA CHANG

Counsel for the Federal Trade
Commission

APPROVED: