

Statement of Timothy J. Muris  
Chairman, Federal Trade Commission

FTC v. John Zuccarini, individually and doing business as Cupcake Party  
FTC File No. 012-3095

Monday, October 1, 2001

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Good afternoon, and thank you for being here. For those of you who haven't been in our Internet lab before today, welcome. We thought it was appropriate that we meet here, because we're announcing a case against a particularly pernicious cyberscam. We tracked that scam in this lab, we built our case in this lab, and last week we filed suit in U.S. District Court and shut the operation down. I'll explain what the scammer did, and then I'll let Marc Groman, our lead attorney on this case, give you a demonstration of how he did it.

This defendant registers Internet domain names that are misspellings of legitimate domain names, trademarks or famous names, or that incorporate transposed or inverted words or phrases. To date, he's registered about 5,500 of them. For example, he registered at least 15 variations of the popular children's cartoon site, cartoon network dot com, and 41 variations of the name of teen pop star, Britney Spears. I think there's a list of some of the variations on cartoon network in your press kits. Surfers looking for a site who misspell its Web address or invert a term - - using "cartoon joe" dot com, for example, rather than "joe cartoon" -- are taken to one of the defendant's sites, instead of the site they were seeking. Then, they're bombarded with a rapid series of windows displaying ads for goods and services ranging from Internet gambling to pornography. Then two things happen. First, they're mousetrapped. When consumers try to use any of the usual means of exiting a Web page, from clicking on the "close" or "back" buttons, to typing in a new URL, a new win

Now I'm going to turn this proceeding over to Marc, who will give you a demonstration of how the scheme works. We were able to preserve this material for evidence, and now show it to you, using special screen-recording software. My one regret is that the replay is not in real time, so you won't see how quickly consumers were barraged with this unsolicited and unwanted junk.

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