

Internet Law

- Module 4
- Consumer Protection Online

Consumer Protection Overview

- B2B versus B2C
- FTC

The screenshot shows the OnGuardOnline.gov website. At the top, the logo reads "OnGuard Online YOUR SAFETY NET". Below the logo is a navigation bar with links for Home, Topics, About Us, File a Complaint, Resources, and Español. The main content area is divided into several sections:

- Learn About... MALWARE**: A section with a laptop icon showing a sad face and text explaining that criminals use malware to steal information, send spam, and commit fraud. It includes a "READ MORE" link and a row of icons for P2P File-Sharing, VoIP, Cross-Border, Investing Online, and Laptop Security.
- FRIEND FINDER**: A section with a blue background and the text "Test Your Knowledge. Click to Play!".
- The Case of The CYBER CRIMINAL**: A section with a red background and the text "Test Your Knowledge. Click to Play!".
- Get Email Alerts**: A section offering free alerts from Homeland Security's U.S. Computer Emergency Readiness Team, with a "READ MORE" link.
- Stop - Think - Click**: A section with a blue header and text stating, "You can minimize the chance of an Internet mishap by adopting these practices:". It lists seven numbered tips: 1. Protect your personal information. It's valuable. 2. Know who you're dealing with. 3. Use anti-virus and anti-spyware software, as well as a firewall, and update them all regularly. 4. Make sure your operating system and Web browser are set up properly and update them regularly. 5. Protect your passwords. 6. Back up important files. 7. Learn who to contact if something goes wrong online. It includes a "READ MORE" link.
- Word of the Day**: A section titled "Spam" with the definition "Unsolicited commercial email, often sent in bulk quantities." and a "GLOSSARY" link.
- Reducing Spam**: A small image showing a person at a computer with the text "See a Video".

Fraud Online

- Easier . . .
 - Low cost to setup shop . . . swarm effects?
 - Easier to simulate a real business
 - New, zero-cost-enabled deceptive marketing techniques
 - Reduced filtering by speech intermediaries
 - Jurisdictional haven

- phishing

Internet National Fraud Information Center Watch		
Internet Scams Fraud Trends January-December 2005		
Top Ten Scams		
Category	% of All Complaints	Average Loss
Auctions * <i>Goods never delivered or misrepresented</i>	42%	\$1,155
General Merchandise <i>Sales not through auctions, goods never delivered or misrepresented</i>	30%	\$2,528
Nigerian Money Offers <i>False promises of riches if consumers pay to transfer money to their bank accounts</i>	8%	\$6,937
Fake Checks <i>Consumers paid with phony checks for work or items sold, instructed to wire money back</i>	6%	\$4,361
Lotteries/Lottery Clubs <i>Requests for payment to claim lottery winnings or get help to win, often foreign lotteries</i>	4%	\$2,919
Phishing <i>Emails pretending to be from well-known source asking to confirm personal information</i>	2%	\$612
Advance Fee Loans <i>False promises of personal or business loans, even if credit is bad, for a fee paid upfront</i>	1%	\$1,426
Information/Adult Services <i>Cost and terms of services not disclosed or misrepresented</i>	1%	\$504
Work-at-Home Plans <i>Kits sold on false promises of big profits from working at home</i>	1%	\$1,785

Trends in BadWare

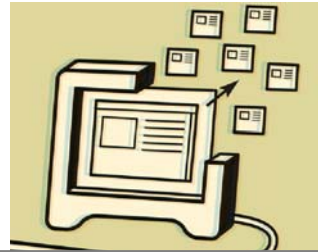
Badware is software that fundamentally disregards a user's choice over how his or her computer will be used. There are several commonly recognized terms for types of badware, including spyware, malware, and deceptive adware.

- Drive-by downloads
- Web Identity Theft
- Compromised web sites
 - Hacked
 - Allowed third-party content
 - Timely exploits
- Dark Corners
- Social Engineering



Click Fraud

- Legit advertiser
- Ad distribution via Google or Yahoo
- Paid to read groups
 - Parked domain names
 - "Typo-squatting" domain names
- Ad distributor difficulty in discovering invalid clicks
- Perfect measurement promise of online advertising?



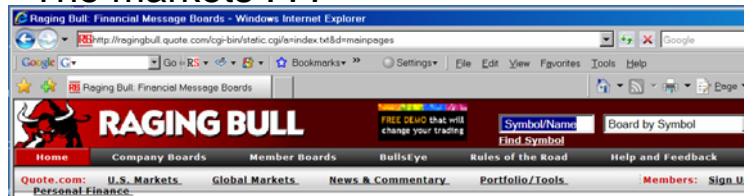
Nickname: *****

Review: I have spent time looking at all the reports Google/Yahoo/MSN have been providing it's customers for some time now. The one report that none of them provide is "Length of Visit by Keyword". This is a report that would help anyone with managing PPC campaigns in a major way. So, why is this report not supplied by any of the search engines out there? It's simple! If you knew which keywords people were clicking on and then just jumping out you could adjust you spending on those keywords accordingly. All the major search engines have the data and tools available to provide you with this report. I also believe that with the data that most of the major search engines collect that they could even provide us with a much better report than the "Length of Visit by Keyword" report I've been talking about. I would love to see the raw data that Google collects on the sponsored ad clicks.

Date reviewed: Aug 23, 2007 12:02 AM

Regulatory Agency Responses & Law Enforcement

• The markets . . .



• Enforcement online

- Advantages
 - Persistent information and communications repositories
 - Dissemination of consumer protection information
 - Self-help and consumer organizations
- Disadvantages?



Online Advertising Issues - Information Disclosures

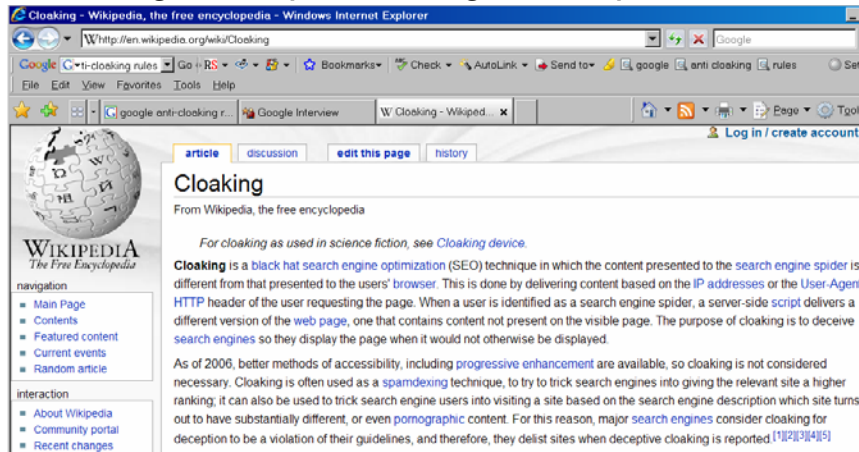
- **FTC Dot Com Disclosures**
 - Disclosures qualify or limit a claim, not cure a false claim
 - Clear and conspicuous disclosures in web site content
 - Proximity & placement
 - To hyperlink or not to hyperlink
 - Consider various user interface devices or modes
 - Interactions with banner ads
 - Disclosures displayed prior to purchase
 - Multimedia

Applicability of Rules referencing writing

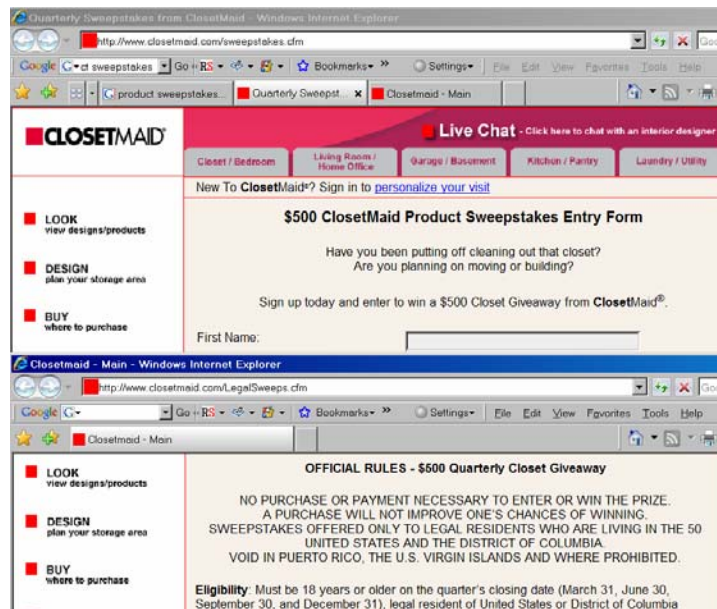
- **Telemarketing Sales Rule**
- **Meaning of “telephone”**
 - Meaning of “computer” with “smart phones”?
- **What is “mail”**

Blurring Advertising and Editorial Content

- Metatags as true or untrue editorial content
- Paid placements
- Cloaking as a spamdexing technique



Online Sweepstakes



ESIGN and Consumer Issues

- **Consumer Union commentary on UETA**
 - Electronic documents as good for consumers as paper?
 - Keeping paper
 - Backing up computers
 - Persistency of email addresses
 - Seriousness of click versus signature?
 - Asymmetric use of electronic information versus paper
- **ESIGN**
 - Anti-discrimination principle for electronic signatures
 - requirements for obtaining consent to electronic disclosure