

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Edith Ramirez, Chairwoman**
 Julie Brill
 Maureen K. Ohlhausen
 Joshua D. Wright
 Terrell McSweeney

In the Matter of:

**Network Solutions, LLC, a limited
liability company.**

Docket No. C-4527

COMPLAINT

The Federal Trade Commission, having reason to believe that Network Solutions, LLC, a limited liability company (“Respondent”) has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent is a Delaware limited liability company with its principal office or place of business at 12808 Gran Bay Parkway West, Jacksonville, Florida 32258.
2. Respondent has advertised, offered for sale, and sold web hosting services.
3. The acts and practices of Respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

Respondent’s Business Practices

4. Respondent’s web hosting services allow Respondent’s customers to make webpages available on the World Wide Web by storing customers’ webpage information, including programming code, images, and videos, on web servers owned or leased by Respondent, and providing the technology and Internet connectivity required to serve webpages on the Internet.

5. Respondent sells web hosting services in monthly, annual, or multi-year terms. Respondent offers new annual and multi-year web hosting terms with a free domain name registration for the term of the web hosting agreement.

6. Respondent sells web hosting services in packages that offer different services for different prices. For example, Respondent charges \$120 for one year of “Essential Web Hosting;” \$160 for one year of “Professional Web Hosting,” which includes more services than Essential Web Hosting; and \$350 for one year of “Premium Web Hosting,” which includes more services than Professional Web Hosting.

7. Since approximately 2008, Respondent has offered a thirty-day money back guarantee (the “Guarantee”) with its web hosting services.

8. Respondent has disseminated or has caused to be disseminated advertisements for the Guarantee, including but not necessarily limited to the icon pictured in Figure 1, which states: “30 Day Money Back Guarantee.”



Figure 1 –
Guarantee icon.

9. If Respondent’s customers purchase a new annual or multi-year web hosting package, register the included domain name of the same term, and subsequently cancel their web hosting services within thirty days of purchase under the Guarantee, Respondent withholds a cancellation fee from their refund based on the number of years of web hosting purchased, and customers retain the included domain name. Respondent’s cancellation fees are listed in Table 1.

Package	Cancellation Fee	
	since Apr. 29, 2011	before Apr. 29, 2011
1 year	\$34.99	\$29.95
2 years	\$69.98	\$49.90
3 years	\$104.97	\$59.85
5 years	\$114.95	\$47.75
10 years	\$179.90	\$99.50

Table 1—Network Solutions cancellation fees.

10. The cancellation fee may be a substantial portion of a customer’s purchase price. For example, a customer that purchases one year of “Essential Web Hosting” pays Respondent \$120 for web hosting services. If that customer registers the included domain name and then cancels his or her web hosting services within thirty days, Respondent will withhold \$34.99 from his or her refund—almost 30% of the purchase price.

11. Respondent did not disclose the cancellation fee in its advertisements for the Guarantee or on webpages that advertised the Guarantee.

12. At the bottom of webpages advertising the Guarantee, Respondent noted, sometimes in a font considerably smaller than other text on the webpage: “* See Terms and Conditions for,” followed by several hyperlinks, including one that reads: “30-Day Money Back Guarantee.” Respondent did not disclose the existence of the cancellation fee in these notes. Respondent sometimes placed the hyperlink in blue text against a black background. The placement, wording, size, and color of these hyperlinks made it unlikely that customers would notice them, as in Figure 2.



Figure 2 – example of Network Solutions webpage with the Guarantee icon and hyperlinks to the disclosures at the bottom.

13. If customers clicked on the small “30-Day Money Back Guarantee” hyperlink, they were taken to a new pop-up webpage (the “Disclosure Webpage”). On the Disclosure Webpage, Respondent has called the Guarantee a “30-Day Limited Money Back Guarantee.” The word “limited” did not appear in some advertisements for the Guarantee. The Disclosure Webpage noted the existence of the cancellation fee, referring to it as a “processing fee.”

14. As described in Paragraphs 11–13, disclosure of the cancellation fee is not clear and conspicuous.

Count I
Deceptive Failure to Disclose Cancellation Fee

15. In connection with the advertising, promotion, offering for sale or sale of web hosting services, Respondent has represented, directly or indirectly, expressly or by implication, that if Respondent's customers cancel web hosting services within thirty days of purchase, they will receive a full refund of their money.

16. In instances in which Respondent has made the representation set forth in Paragraph 15, Respondent has failed to disclose adequately that it withholds part of the refund from customers who: (1) purchase an annual or multi-year web hosting package, (2) register the included domain name, and (3) cancel within thirty days. This fact would be material to consumers in deciding whether to purchase web hosting services from Respondent.

17. Respondent's failure to disclose adequately the material information described in Paragraph 16, in light of the representation described in Paragraph 15, is a deceptive act or practice.

Violations of Section 5

18. 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 twenty-eighth day of May, 2015, has issued this Complaint against Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: