	ATES DISTRICT COURT STRICT OF WASHINGTON
FEDERAL TRADE COMMISSION,	Civil Action No. <u>2:23-cv-0932</u>
Plaintiff,	COMPLAINT FOR PERMANENT
v.	INJUNCTION, CIVIL PENALTIES, MONETARY
AMAZON.COM, INC., a corporation,	RELIEF, AND OTHER EQUITABLE RELIEF
Defendant.	
Plaintiff, the Federal Trade Comm	nission ("FTC" or "the Commission"), alleges:
1. Plaintiff brings this action	under Sections 5(a), 5(m)(1)(A), 13(b), 16(a), and 19 of
the Federal Trade Commission Act ("FTC	C Act"), 15 U.S.C. §§ 45(m)(1)(A), 53(b), 57b, and the
Restore Online Shoppers' Confidence Ac	et, ("ROSCA"), 15 U.S.C. § 8404, which authorize the
FTC to seek, and the Court to order, perm	nanent injunctive relief, restitution, civil penalties, and
other equitable relief for Defendant's acts	s or practices in violation of Section 5(a) of the FTC
Act, 15 U.S.C. § 45(a), and Section 4 of I	ROSCA, 15 U.S.C. § 8403.
COMPLAINT Case No. : -cv-	Federal Trade Commission 600 Pennsylvania Ave., NW

1 **SUMMARY OF CASE** 2. For years, Defendant Amazon.com, Inc. ("Amazon") has knowingly duped 2 millions of consumers into unknowingly enrolling in its Amazon Prime service ("Nonconsensual 3 Enrollees" or "Nonconsensual Enrollment"). Specifically, Amazon used manipulative, coercive, 4 or deceptive user-interface designs known as "dark patterns" to trick consumers into enrolling in 5 automatically-renewing Prime subscriptions. 6 3. The Nonconsensual Enrollment problem was well known within Amazon. 7 8 9 10 11 12 13 In a draft memorandum 4. 14 15 5. 16 Some Amazon employees pushed the company executives responsible for Prime—including Neil Lindsay ("Lindsay"), Russell Grandinetti ("Grandinetti") and Jamil 17 18 Ghani ("Ghani")—to address Nonconsensual Enrollment and make changes so that Amazon 19 would not be tricking its customers. 20 21 22 23 **COMPLAINT** Federal Trade Commission Case No. _:__-cv-____ 600 Pennsylvania Ave., NW

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6.

Amazon and its leadership—including Lindsay, Grandinetti, and Ghani—slowed, avoided, and even undid user experience changes that they knew would reduce Nonconsensual Enrollment because those changes would also negatively affect Amazon's bottom line.

7. For years, Amazon also knowingly complicated the cancellation process for Prime subscribers who sought to end their membership. Under significant pressure from the Commission—and aware that its practices are legally indefensible—Amazon substantially revamped its Prime cancellation process for at least some subscribers shortly before the filing of this Complaint. However, prior to that time, the primary purpose of the Prime cancellation process was not to enable subscribers to cancel, but rather to thwart them. Fittingly, Amazon named that process "Iliad," which refers to Homer's epic about the long, arduous Trojan War. Amazon designed the Iliad cancellation process ("Iliad Flow") to be labyrinthine, and Amazon and its leadership—including Lindsay, Grandinetti, and Ghani—slowed or rejected user experience changes that would have made Iliad simpler for consumers because those changes adversely affected Amazon's bottom line.

8. As with Nonconsensual Enrollment, the Iliad Flow's complexity resulted from Amazon's use of dark patterns—manipulative design elements that trick users into making decisions they would not otherwise have made.

1 JURISDICTION AND VENUE 9. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), 2 and 1345. 3 10. Venue is proper in this District under 28 U.S.C. § 1391(b)(2), (b)(3), (c)(1), 4 (c)(2), (c)(3), and (d), and 15 U.S.C. § 53(b). 5 6 **PLAINTIFF** 11. The FTC is an independent agency of the United States Government created by 7 8 the FTC Act, which authorizes the FTC to commence this district court civil action by its own 9 attorneys. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 10 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces ROSCA, 15 U.S.C. §§ 8401-8405, which prohibits the sale of goods or 11 12 services on the Internet through negative option marketing without meeting certain requirements 13 for disclosure, consent, and cancellation to protect consumers. A negative option is an offer in 14 which the seller treats a consumer's silence—i.e., their failure to reject an offer or cancel an 15 agreement—as consent to be charged for goods and services. 16 C.F.R. § 310.2(w). 16 **DEFENDANT** 17 12. Defendant Amazon transacts and has transacted business in this District and 18 throughout the United States. It is one of the world's largest online retailers, and is 19 headquartered in Seattle, Washington, with its principal place of business at 410 Terry Avenue 20 North, Seattle, Washington 98109. 21 22 23 **COMPLAINT** Federal Trade Commission Case No. _:__-cv-___ 600 Pennsylvania Ave., NW Washington, DC 20580

1	13. At all times relevant to this Complaint, acting alone or in concert with others,
2	Amazon advertised, marketed, distributed, or sold a paid subscription service, Prime, that gives
3	subscribers throughout the United States access to additional services otherwise unavailable or
4	available only at an additional charge to other consumers. Among other things, these premium
5	services include expedited "free" delivery of merchandise from Amazon's vast online
6	marketplace, streaming content, and grocery delivery.
7	<u>COMMERCE</u>
8	14. At all times relevant to this Complaint, Amazon has maintained a substantial
9	course of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act,
10	15 U.S.C. § 44.
11	DEFENDANT'S BUSINESS ACTIVITIES
12	15. Consumers pay \$139 per year or \$14.99 monthly to subscribe to Prime. Prime
13	subscription fees account for \$25 billion of Amazon's annual revenue.
14	16. Approximately 70% of Amazon's revenue comes from American consumers.
15	17. Subscribers are critical to Amazon's overall ecommerce business because Prime
16	subscribers spend more than as much shopping on Amazon as compared to non-
17	Prime shoppers.
18	18. Consequently, one of Amazon's primary business goals—and <i>the</i> primary
19	business goal of Prime—is increasing subscriber numbers.
20	19. Within Amazon's corporate structure, the Prime organization or department
21	("Prime Organization") operates Prime. Amazon evaluates the Prime Organization's
22	performance based on the
23	COMPLAINT Case No:cv Washington, DC 2058 (202) 326-332

Typical Prime Enrollment Experiences

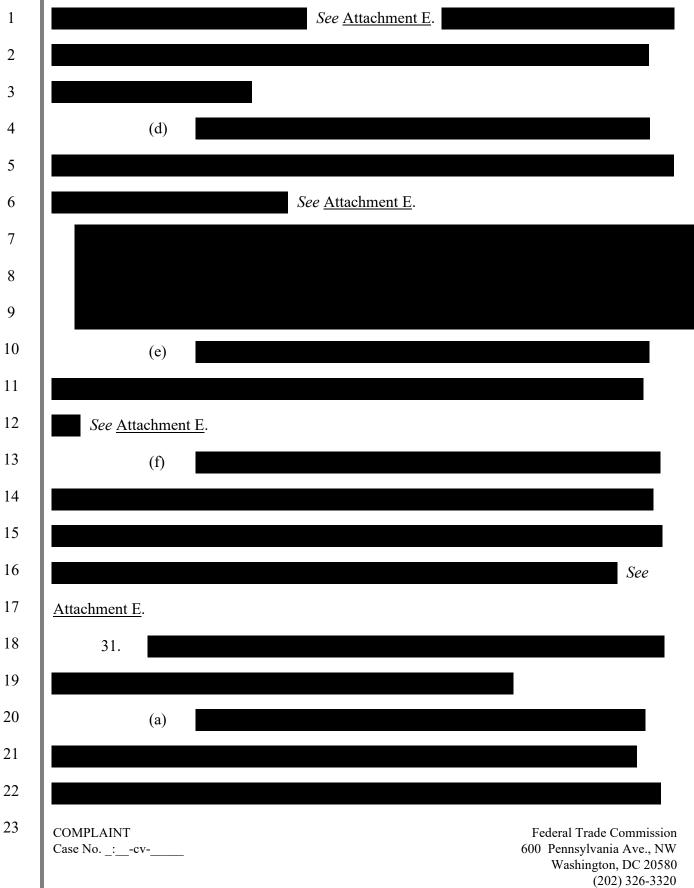
- 20. Consumers can subscribe to Prime through multiple pathways including through Amazon devices (like the Amazon Fire TV streaming device), while using Prime Video, or through Prime's unique webpage ("Prime Central"). However, subscriptions occur through the Amazon shopping checkout process.
- 21. The basic consumer checkout enrollment experience proceeds as follows on both desktop and mobile devices. Consumers who are not Prime members visit Amazon's website—www.Amazon.com—to shop. They place items in their cart, and then provide (or confirm) their billing and address information. They then select a large orange "Continue" button, which typically appears in the lower right corner of the page, and move through additional pages to proceed with their purchase. Finally, consumers either complete their order by purchasing the items in their cart or abandon their cart.
- 22. Amazon presents all consumers who are not Prime subscribers with at least one opportunity (also known as an "upsell")—and often several opportunities—to join Prime before those consumers place their order on the final checkout page. Amazon has two primary types of upsells that enroll consumers: interstitials and non-interstitials. An interstitial is a page that interrupts consumers' online shopping experience by appearing before the page that consumers seek to access in the first place. In contrast, non-interstitial upsells are elements imbedded within checkout pages, including shipping-option selection and payment pages.

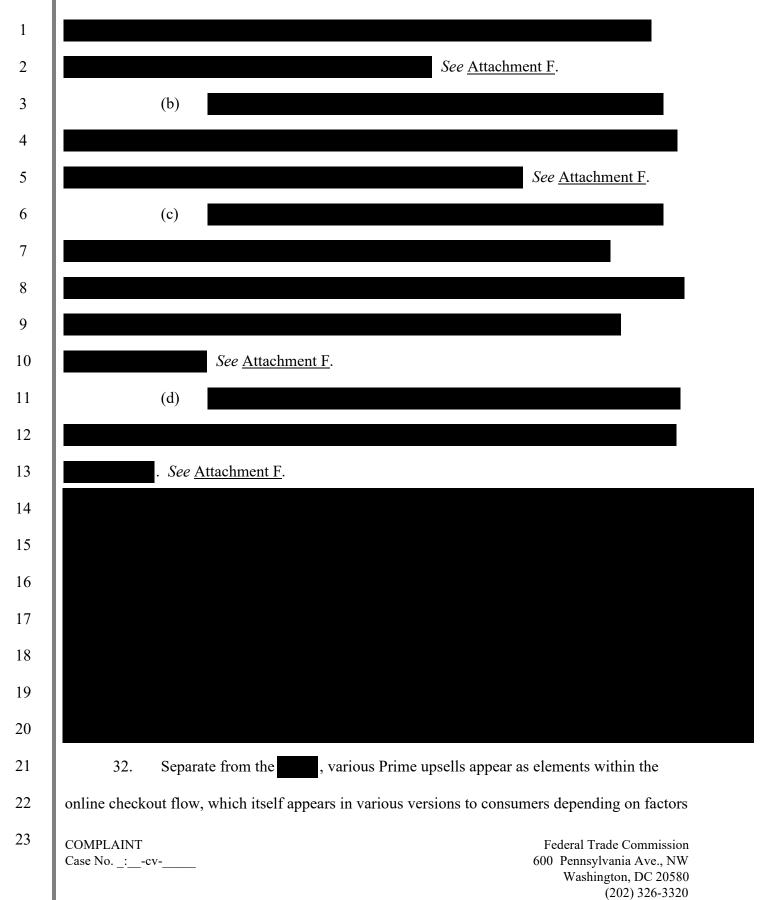
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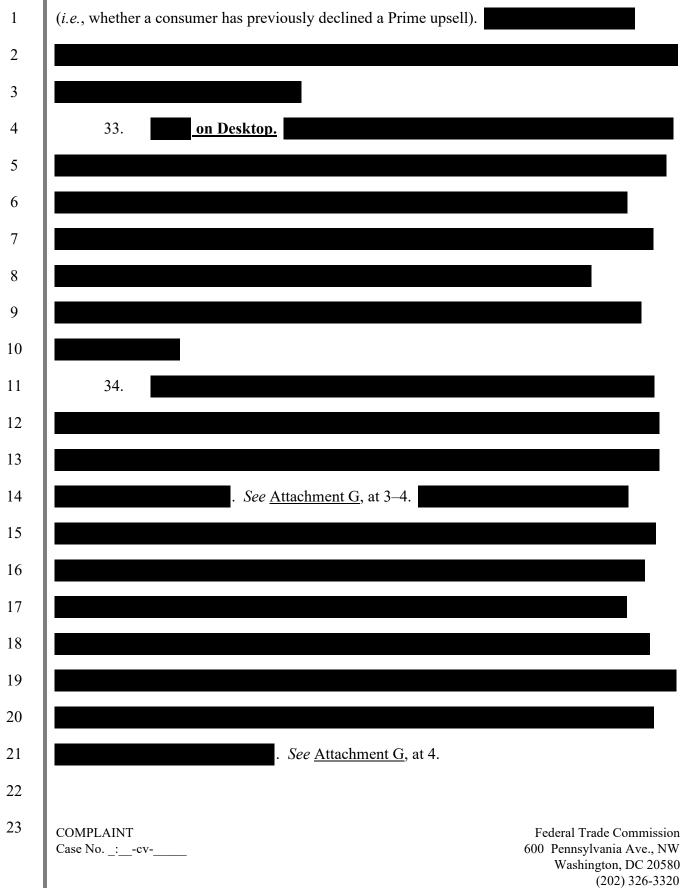
1	23. On desktop devices, Amazon has several Prime upsells: an interstitial upsell
2	called the and three non-interstitial upsells called the
3	
4	On mobile devices, Prime upsells mirror those on desktop, and include
5	the .
6	on Desktop. Amazon calls the Prime interstitial upsell the
7	. Although the has changed over time, it generally interrupts
8	consumers' online shopping experience by presenting them with a prominent button to enroll in
9	Prime and a comparatively inconspicuous link to decline. Consumers cannot avoid the
10	The upsell forces consumers to select either the button or the link to proceed to checkout. See
11	Attachments A–D.
12	
13	
14	
15	25. The orange button, which enrolls a consumer in Prime if clicked, is
16	located toward the bottom right of the screen and often includes language referencing "free
17	shipping" or a "free trial."
18	See Attachment A
19	See Attachment B.
20	See
21	Attachments C and D.
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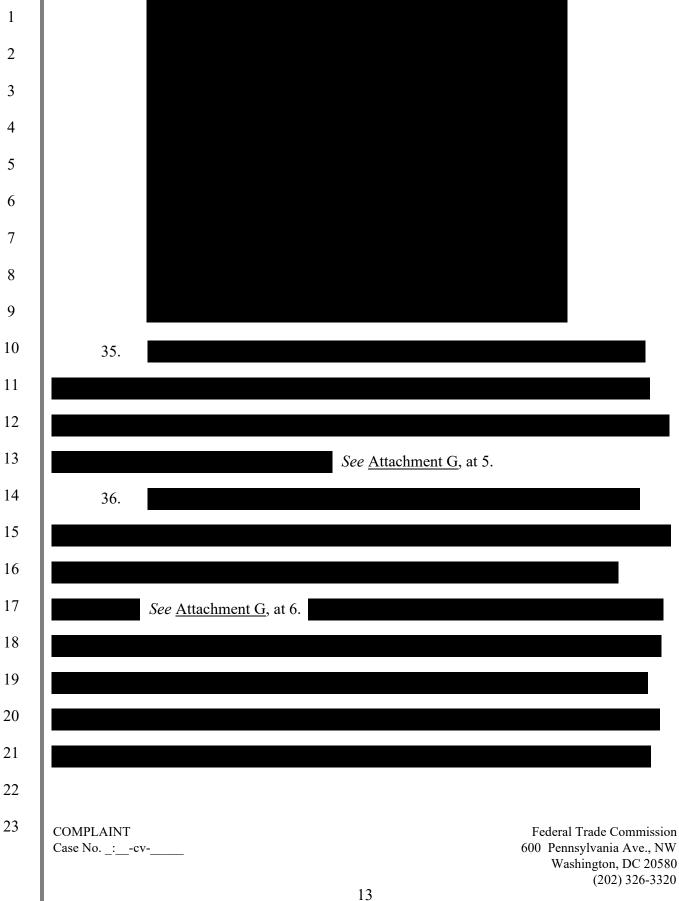
	see Attachment A and B,
	see Attachments C and D,
26.	If a consumer clicks the orange button, Amazon enrolls the consumer in a Prin
free trial,	
27.	The 's blue link, which declines the Prime membership if clicked,
	includes language that the consumer will not receive
"free shipping	"· ·
	Attachment A,
	Attachment B.
	Se
Attachment C.	
28.	See <u>Ittaelinient B</u> .
20.	
Se	e Attachments A–D.
29.	The does not adequately disclose the price of the monthly auto-renewal
feature of Prin	ne.
	. See Attachments A–D.
30.	
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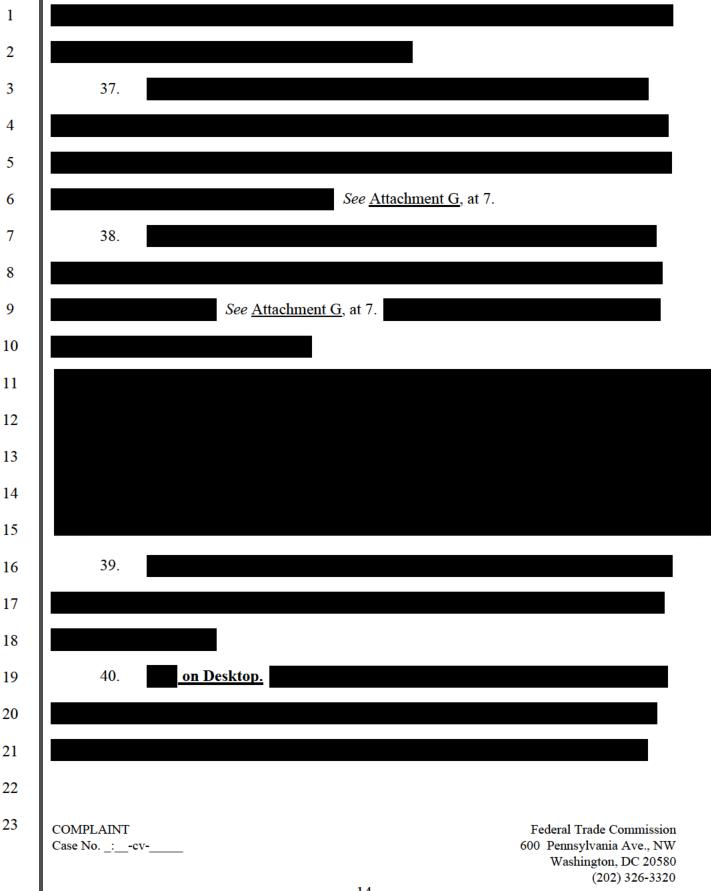


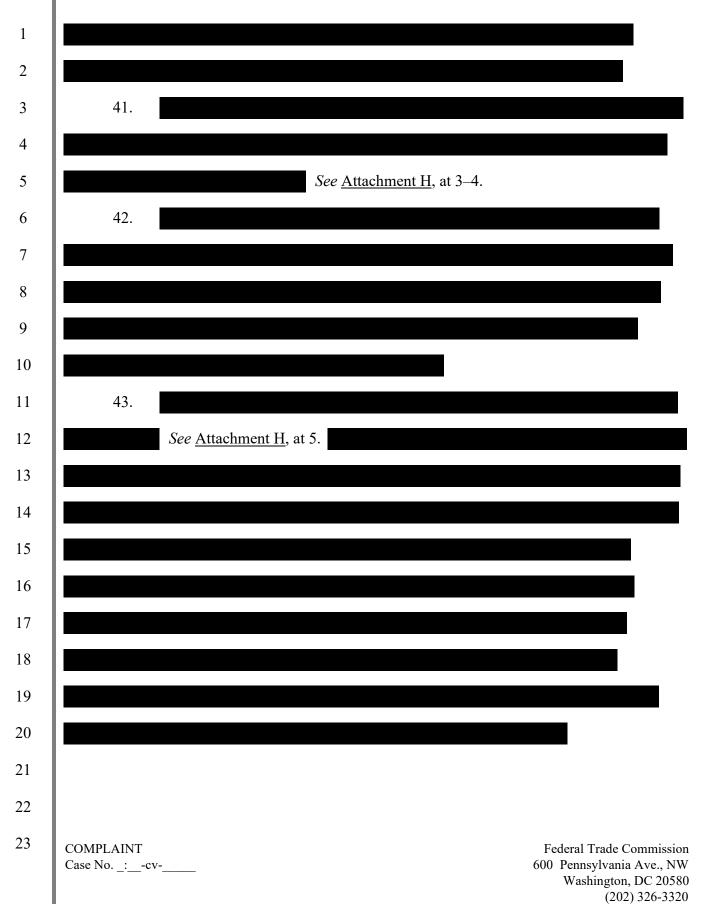


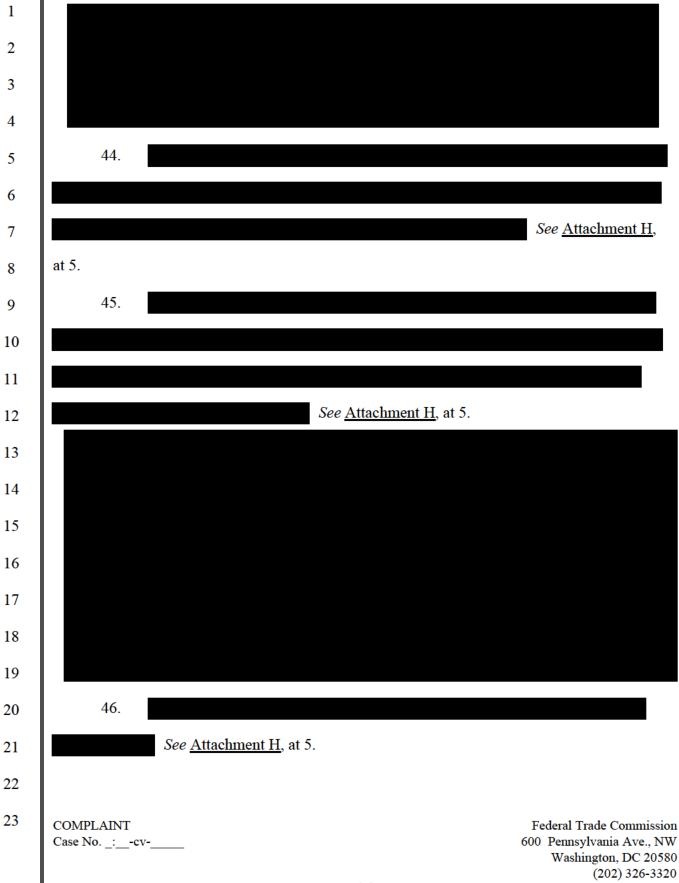


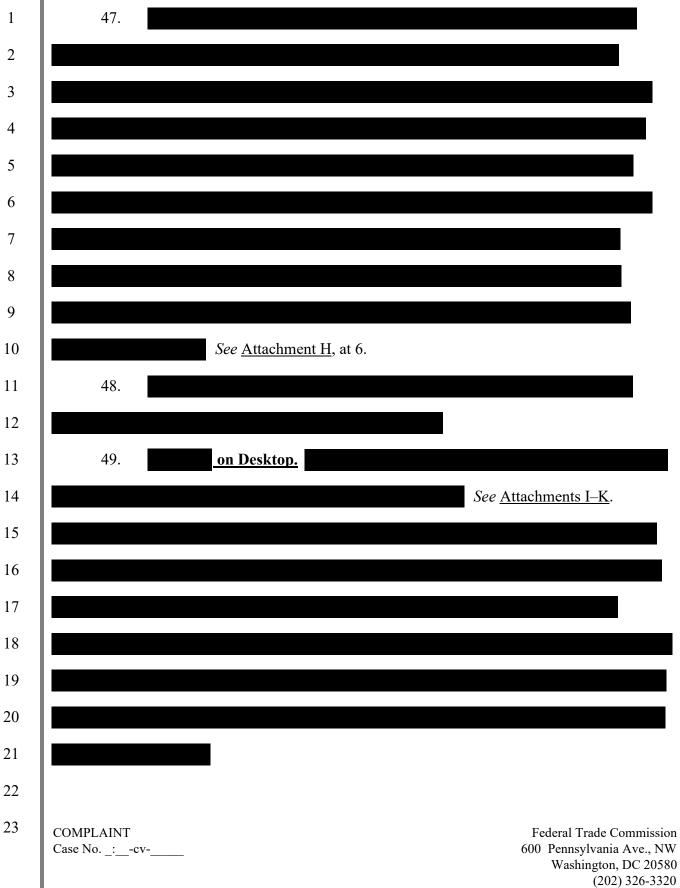


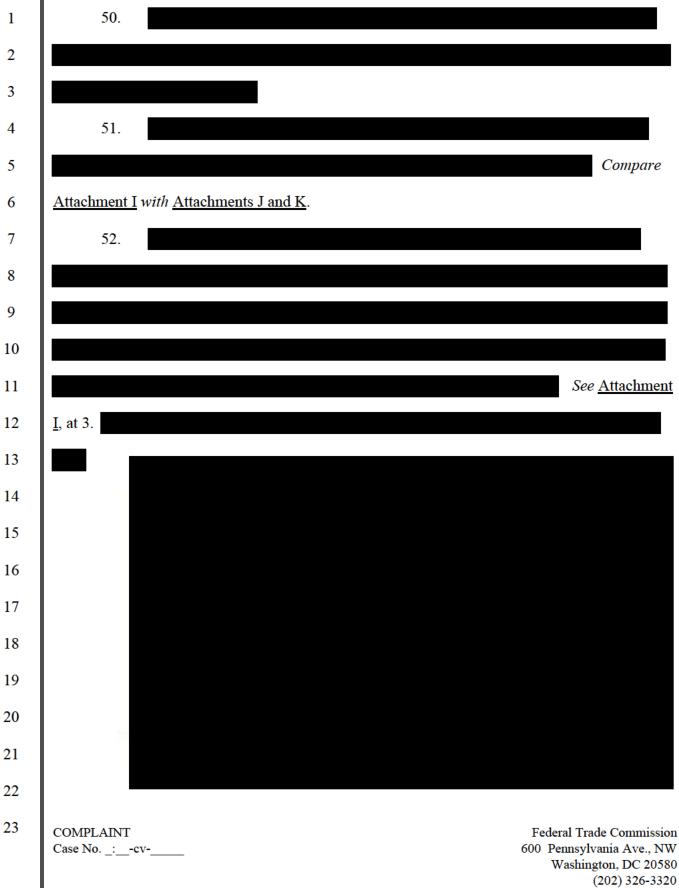




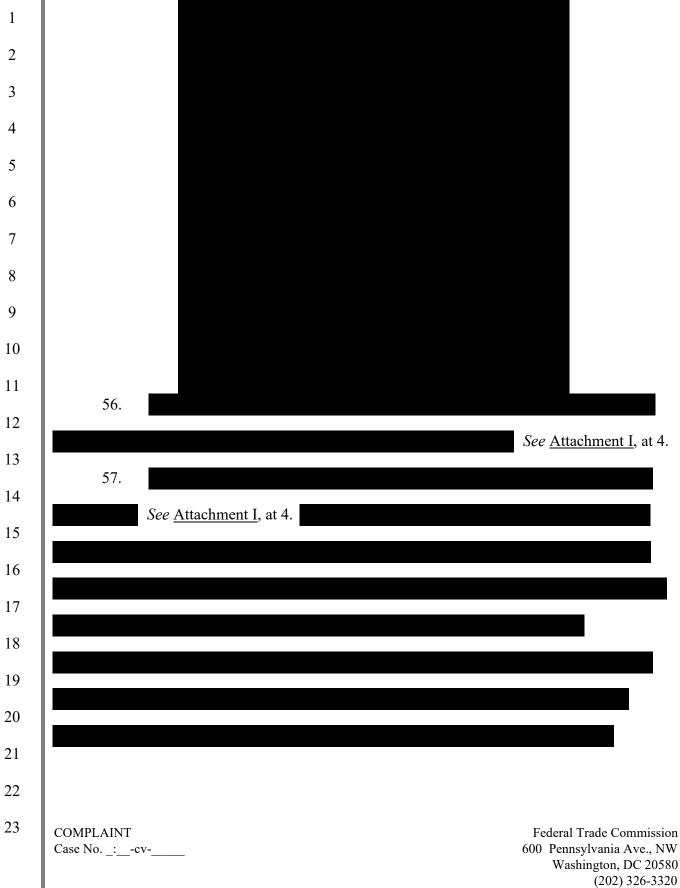


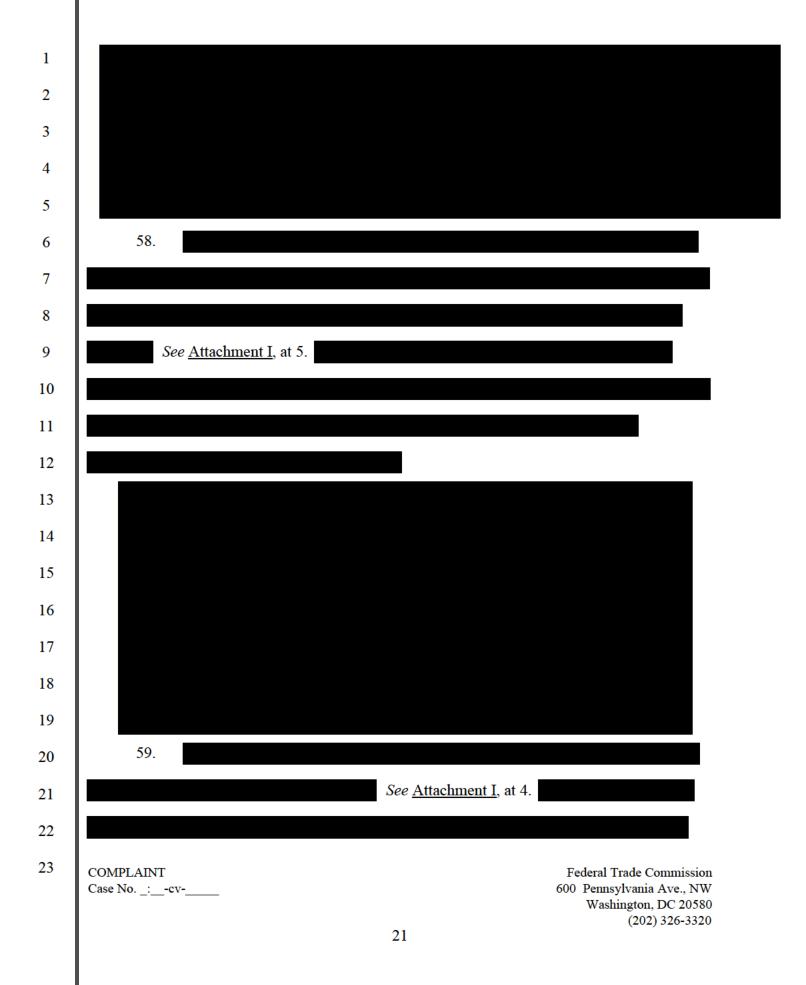


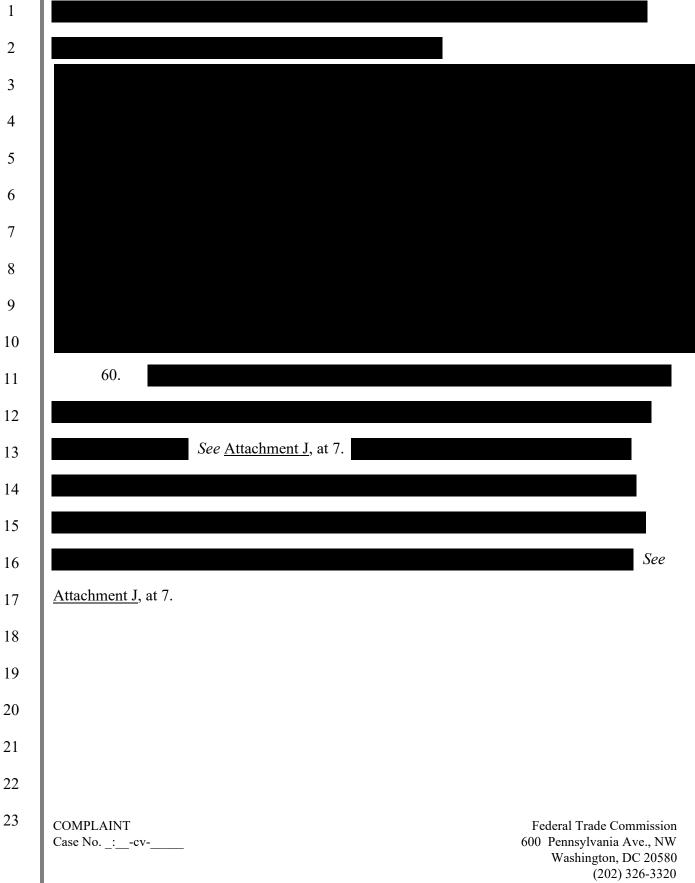


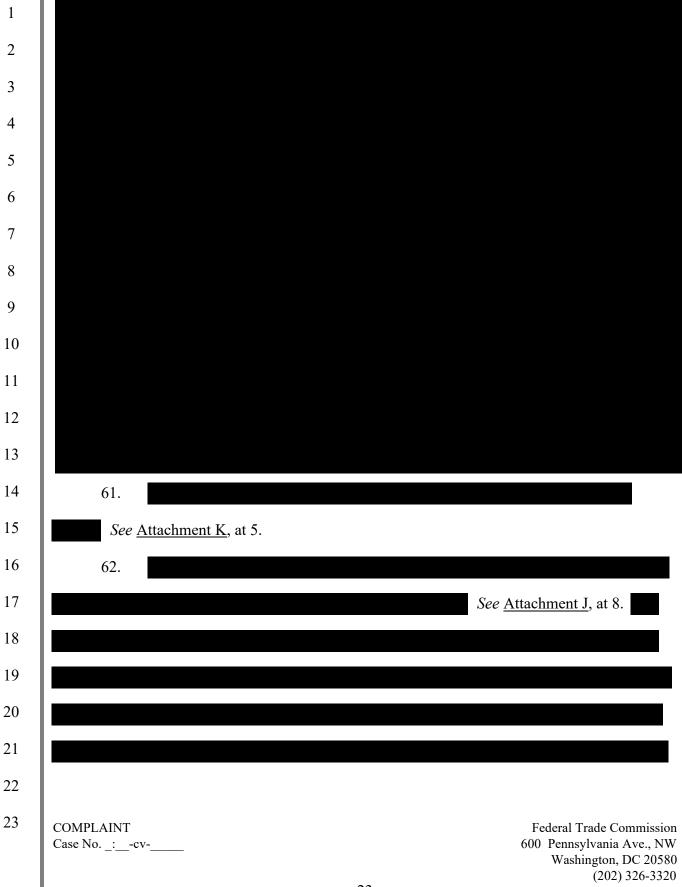












See	Attachment J,	at	8.

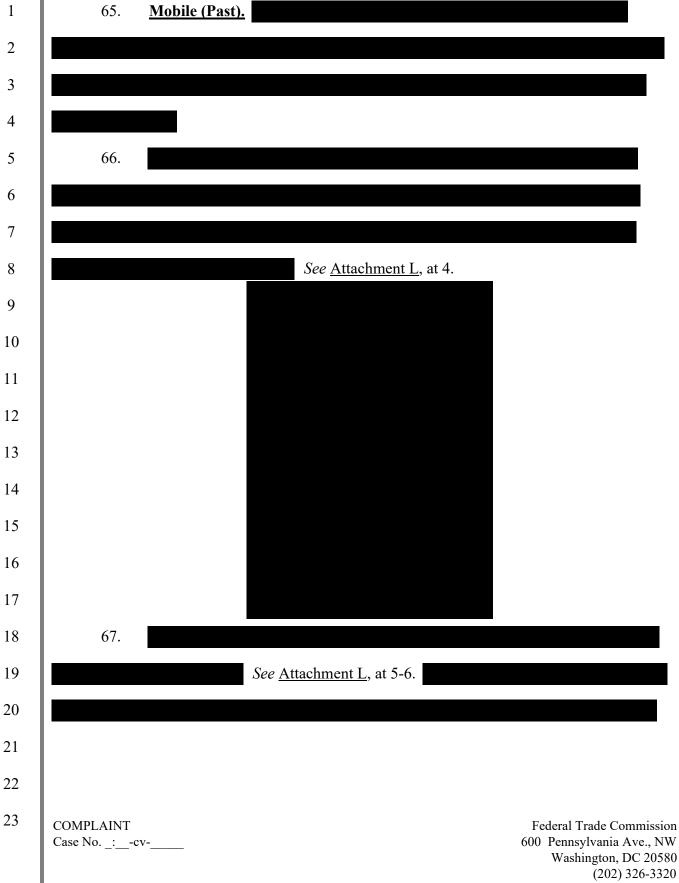


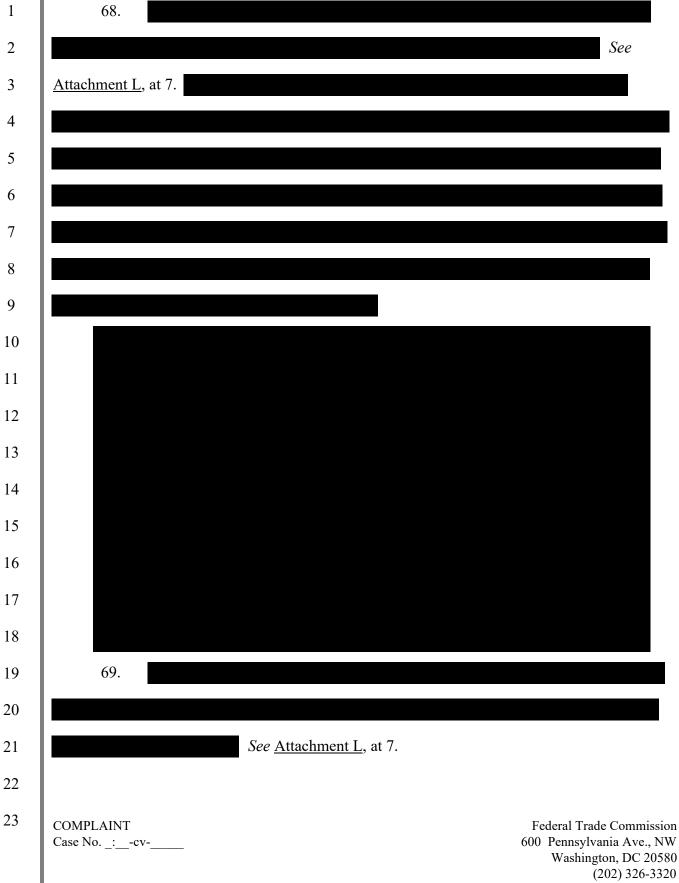
- 63. Prime upsells on the mobile checkout flow have mirrored those on desktop checkout, and have included the
- 64. Navigating Prime upsells on mobile devices is more difficult than on a desktop.

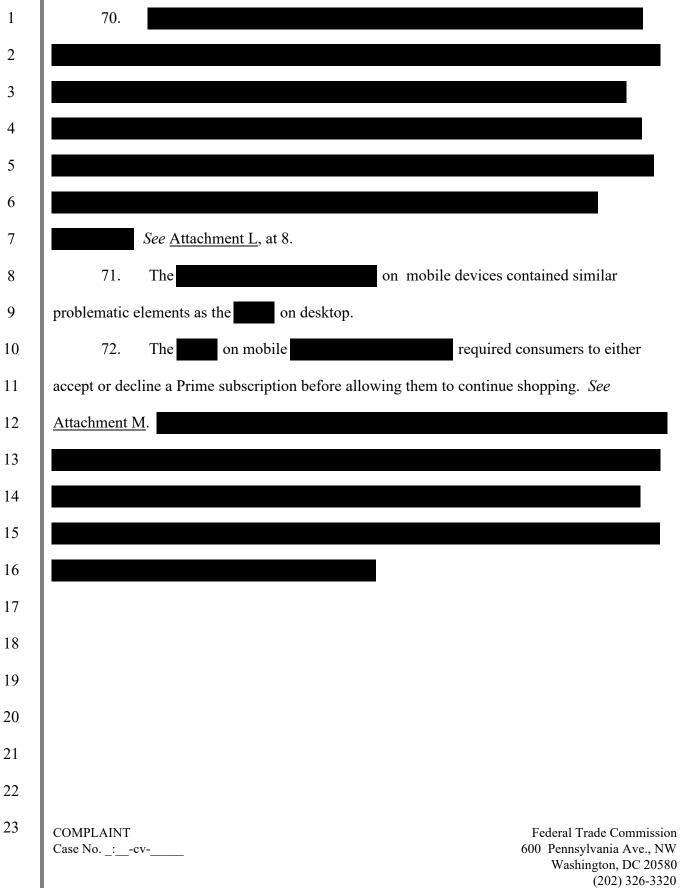
 Amazon often places material terms such as price and auto-renewal terms at the very bottom of the mobile page—past the point viewable on the screen unless the consumer scrolls down—where consumers are least likely to see this information. On mobile devices, consumers are also more likely to select a prominent option without scrutinizing fine print.

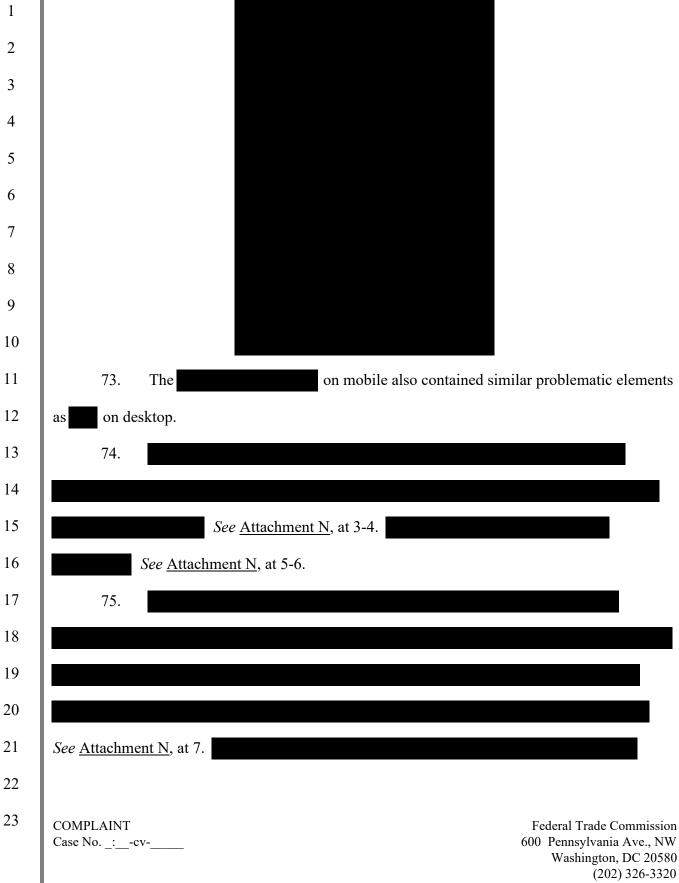
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76.	
See Attachme	ent N. at 8.
<u> </u>	
77.	Mobile (Current). In 2022, Amazon
78.	The current mobile upsells contain many of the same problematic elements
	—including misleading language and manipulative designs—which lea
consumers to	enroll in Prime without their consent.
79.	Consumers using mobile devices to navigate to Amazon.com can select a pr
by clicking a	large yellow button ("Add to Cart"), and continue shopping, or a large orange
button ("Buy	Now") to proceed directly to the checkout. See Attachment O, at 1. Consum
who continue	e shopping add additional products to their cart by clicking the large yellow "A
Cart" button,	until they finish and choose another large yellow button ("Proceed to checkon
	the consumer to the next step. See Attachment O, at 2.
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- 80. At this point, the consumer signs in (if the consumer has not already) and clicks a large yellow "Continue" button to proceed to a mobile . Consumers who have already signed in proceed directly to the mobile ...
- 81. Consumers without an account must create one before reaching the mobile Creating an account involves four steps: entering an email address, creating a password, and adding an address and a payment method. *See* Attachment O, at 3-4. Completing these steps takes the consumer to the mobile ...
- 82. When a consumer reaches the mobile Amazon divides the page, with a footer (sometimes known as a "sticky footer") that occupies the screen's bottom half, rendering only a portion of the top half visible unless the consumer scrolls down. *See* Attachment O, at 5.





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83. At the top of the mobile , Amazon informs the consumer that "we're giving you 30 days of Prime for FREE." *See* Attachment O, at 5. Smaller text below reads: "After your FREE trial, Prime is just \$14.99/month," but does not reference Prime's auto-renewal feature. Consumers can view this section without scrolling.

, we're giving you 30 days of Prime for FREE

After your FREE trial, Prime is just \$14.99/month

84. The sticky footer on the lower half of the screen contains double-stacked buttons: the top yellow "Get FREE Two-Day Delivery with Prime" button and an image appearing to be a gray lower button labelled "Save \$5.99 instantly on this order." *See* Attachment O, at 5.

Amazon enrolls consumers who click the yellow button in Prime. As such, a consumer can enroll in Prime without viewing the portion of the page that the sticky footer hides.

Get FREE Two-Day Delivery with Prime
Save \$5.99 instantly on this order

No thanks

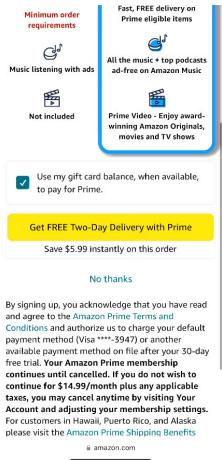
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85. If a consumer scrolls down, Amazon shows consumers a table comparing the "Perks of Prime" with "Without Prime." *See* Attachment O, at 5. For instance, perks of Prime include "Fast, FREE delivery on Prime eligible items," "[a]ll the music + top podcasts ad-free on Amazon Music," and "Prime Video – Enjoy award-winning Amazon Originals, movies and TV shows" whereas without Prime, a consumer has "[m]inimum order requirements," "[m]usic listening with ads," and Prime Video "[n]ot included."



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86. The following text is visible at the bottom of the sticky footer, in the smallest type on the screen: "By signing up, you acknowledge that you have read and agree to the Amazon Prime Terms and . . . See all." See Attachment O, at 5. If the consumer continues scrolling, additional information about Prime's "Terms and Conditions" and "Shipping Benefits" becomes visible in small text beneath the "No thanks" link. A sentence in the middle of this additional text reads: "Your Amazon Prime membership continues until cancelled. If you do not wish to continue for \$14.99/month plus any applicable taxes, you may cancel anytime by visiting Your Account and adjusting your membership settings."



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87. If a consumer clicks the downward arrow on the top right of the sticky footer,
Amazon also reveals the additional text beneath the "No thanks" link. The arrow is adjacent to
the yellow "Get Free Two-Day Delivery with Prime" button that will enroll the consumer in
Prime. If a consumer clicks the button while attempting to click the adjacent sticky footer arrow,
Amazon enrolls the consumer in Prime.



- 88. Consumers cannot view the full text beneath the "No thanks" link without scrolling or clicking the sticky footer arrow. However, consumers can enroll in Prime by selecting the large yellow "Get FREE Two-Day Delivery with Prime" button without scrolling. *See* Attachment O, at 5.
- 89. Consumers can proceed with their purchase if they select either the yellow button or the blue "No thanks" link. *See* Attachment O, at 5.
- 90. If the consumer selects the yellow "Get FREE Two-Day Delivery with Prime" button, Amazon brings the consumer to a final page with a yellow "Place your order" button and "Congratulations, your Prime free trial has started! We'll email you about all Prime benefits" underneath. Therefore, Amazon enrolls the consumer in Prime before the consumer has even placed the order. The final page of the flow also contains an "Order Total" that does not include Prime's price. *See* Attachment O, at 6.

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11	97. Capitalizing on some consumers' inability to appreciate the difference between
12	"Prime" and "Prime Video," the Prime Video enrollment process fails to clarify Amazon will
13	enroll them in Prime rather than the less expensive Prime Video, on both desktop and mobile
14	platforms. This causes some consumers to enroll in Prime, rather than Prime Video,
15	unknowingly.
16	98. Consumers can reach the Prime Video storefront through various ways, includir
17	by searching "Prime Video" in an online search engine or the Amazon search bar.
18	99. The initial Prime Video storefront displays the Prime Video logo at the top and

- ways, including ar.
- 99. The initial Prime Video storefront displays the Prime Video logo at the top and an orange button labelled "Watch with Prime. Start your 30-day free trial." See Attachments P and <u>V</u>.

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- 100. Amazon brings consumers who press the orange button to a second page and prompts them to sign in (if they have an Amazon account) to confirm billing information, or to create an account and submit billing information. This page also contains small print links to the Amazon Prime Conditions of Use and Privacy Notice at the bottom of the page. *See* Attachment \underline{V} , at 2-5.
- 101. Amazon does not, to this point, present the consumer with any marketing regarding Prime, as opposed to Prime Video.
- 102. After sign in or account creation, Amazon brings consumers to a page containing, from top to bottom:
 - (a) the Prime logo with "Watch now, cancel anytime. Start your 30-day free trial";
 - (b) the email associated with the account;
 - (c) a table with "Confirm your details" at the top followed by the plan type, which is "Prime. Enjoy unlimited streaming of thousands of movies and TV shows plus FREE Two-Day Delivery on millions of items. \$14.99/month after trial" (to get Prime Video rather than Prime, the consumer must click a gray "change" box to the right);
 - (d) the consumer's email, payment method, and billing address;
 - (e) at the bottom, "By signing up, you acknowledge that you have read and agree to the Amazon Prime Terms and Conditions and authorize us to charge your preferred card or another available credit card on file after your 30-day free trial. Your Prime membership continues until cancelled. If you don't want to continue

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1	for \$14.99/month plus any applicable taxes, you may cancel anytime by visiting
2	Your Account and adjusting your membership settings;" and
3	(f) an orange button in the bottom right corner, labelled "Start your free trial
4	The button sits immediately above a gray area with text reading "Change or
5	cancel plan anytime. Pay later." See Attachment P, at 2 and Attachment V, at 6
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17	103. To enroll in Prime Video (instead of Prime), the consumer must click on the
18	"Change" button for the Plan information toward the top of the page, change the plan on the
19	subsequent page, and then navigate back to confirm the Prime Video selection. See Attachmen
20	P, at 2 and Attachment V, at 6.
21	104.
22	
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1 See Attachment P, at 3. 2 3 4 5 6 7 8 9 After receiving the June 30, 2022 CID, Amazon changed the Prime Video 105. 10 11 12 13 14 15 Prime Video storefront. See Attachment V, at 7-8. 16 106. 17 Video on a mobile device. 18

enrollment flow for Prime. Now, when consumers click "Start your free trial" Amazon shows at least some consumers a page titled "Welcome to Prime, [name]" that describes certain Prime membership services. On this page, there is no option to cancel the Prime membership. Toward the bottom are two buttons: on the left "Discover Prime benefits" (gray button) takes consumers to an overview of Prime-related services, and on the right "OK" (blue button) continues to the

- Prime Video (Mobile). Consumers may also enroll in Prime through Prime
- Like Prime Video on desktop, Prime Video on mobile tricked consumers into 107. signing up for Prime instead of Prime Video, which would be a lower-cost option.
- Like desktop Prime Video, the Prime Video mobile storefront displays the Prime 108. Video logo at the top and, toward the bottom of the page, an orange button labelled "Watch with

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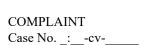
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Prime. Start your 30-day free trial." Above the orange button, in blue text, reads "Prime" and then, in white text, "Watch for \$0.00 with Prime." *See* Attachment U, at 1.







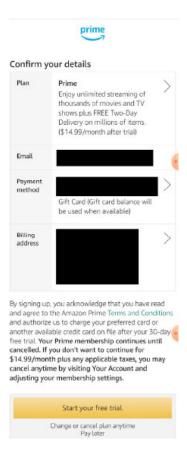
- 109. Amazon brings consumers who press the orange button to a "Welcome" page to sign in (if they have an Amazon account) to confirm billing information, or to create an account and submit billing information. The page also contains links to "Amazon's Conditions of Use and Privacy Notice." *See* Attachment U, at 2.
- 110. After sign in or account creation, Amazon then brings consumers to a page that asks consumers to "Confirm your details," and includes the following information from top to bottom:
 - (a) Next to "Plan" reads: "Prime. Enjoy unlimited streaming of thousands of movies and TV shows plus FREE Two-Day Delivery on millions of items.

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(\$14.99/month after trial)." Next to this text is an arrow similar to a greater-than sign (">").

- (b) The page also lists consumer's email, payment method, and billing address information.
- (c) There is then a link to Amazon Prime terms and conditions, as well as Prime's price and auto-renewal feature.
- (d) Toward the bottom is an orange button "Start your free trial" with black text beneath: "Change or cancel plan anytime. Pay later." See Attachment U, at 5.



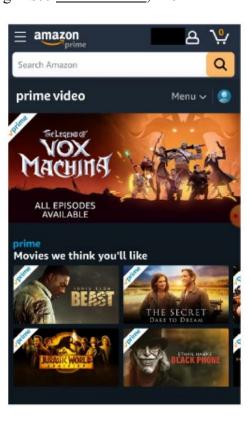
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To enroll in Prime Video (instead of Prime), the consumer must click on the

If the consumer simply clicks the orange "Start your free trial" button, Amazon

- 111. "Plan" information toward the top of the page, change the plan on the subsequent page, and then navigate back to confirm the Prime Video selection. 112. enrolls the consumer in Prime—not Prime Video—but then immediately takes the consumer to the Prime Video storefront page. See Attachment U, at 6.

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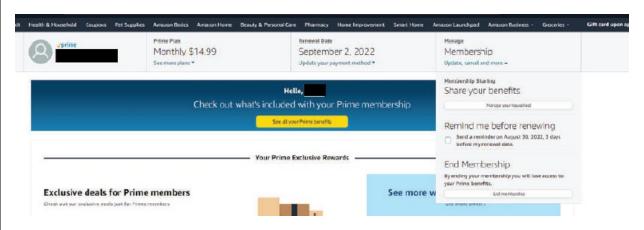


Prime's Four-Page, Six-Click, Fifteen-Option Iliad Cancellation Process

- 113. Under substantial pressure from the Commission, Amazon changed its Iliad cancellation process in or about April 2023, shortly before the filing of this Complaint. Prior to that point, there were only two ways to cancel a Prime subscription through Amazon: a) through the online labyrinthine cancellation flow known as the "Iliad Flow" on desktop and mobile devices; or b) by contacting customer service.
- 114. The Iliad Flow required consumers intending to cancel to navigate a four-page, six-click, fifteen-option cancellation process. In contrast, customers could enroll in Prime with one or two clicks.
- 115. Although consumers may have enrolled in Prime through devices other than computers and smartphones, such as through the Prime Video application on the Amazon FireStick and Fire TV, they could not cancel via these same technologies. Instead, they had to use the Iliad Flow or call customer service.
- 116. Amazon launched the Iliad Flow in 2016, and did not substantially change it in the United States until in or about April 2023.
- 117. To cancel via the Iliad Flow, a consumer had to first locate it, which Amazon made difficult. Consumers could access the Iliad Flow from Amazon.com by navigating to the Prime Central page, which consumers could reach by selecting the "Account & Lists" dropdown menu, reviewing the third column of dropdown links Amazon presented, and selecting the eleventh option in the third column ("Prime Membership"). This took the consumer to the Prime Central Page.

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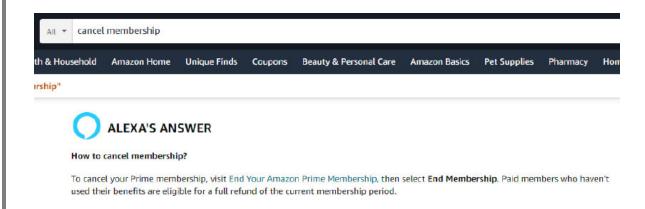
119. The last option was "End Membership." The "End Membership" button did not end membership. Rather, it took the consumer to the Iliad Flow. *See* Attachment Q, at 2-3. It was impossible to reach the Iliad Flow from Amazon.com in fewer than two clicks.



120. Consumers could also reach the Iliad Flow by contacting customer service, asking to cancel,

121. Consumers could also reach the Iliad Flow from Amazon.com by typing "cancel membership" in the search bar. This produced an "Alexa" answer that included an "End Your Amazon Prime Membership" link. *See* Attachment T, at 2.

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122. Clicking the link did not end Prime membership. Instead, it took the consumer to another page with a heading that read: "End Your Amazon Prime Membership." The page contained a button labelled "End Your Prime Membership." Pressing the button did not end Prime Membership. Instead, it took the consumer to the Iliad Flow. *See* Attachment T, at 3-4.

Shipping and Delivery > Amazon Prime > End Your Amazon Prime Membership You can end your Prime membership by selecting the End Membership button on this page. Paid members who haven't used their benefits are eligible for a full refund of the current membership period. We'll process the refund in three to five business days. End Your Prime Membership · Additional subscriptions tied to your membership won't renew once your Prime membership ends. If your Prime membership is associated with a service you receive through another company (such as Sprint), contact that company to manage your Prime membership Customers who sign up for Amazon Prime using the Android mobile shopping app must manage their subscription through Google Subscription services. To end your Amazon Prime membership: 1. Go to your Prime membership. 2. Select Update, Cancel, and more, and follow the on-screen instructions.

123. The search bar pathway to the Iliad Flow varied somewhat depending on what search the consumer ran. For instance, searching "how to turn off Prime," or "cancel prime" (rather than "how to cancel Prime") took the consumer to a page with a link to Prime Central, from which the consumer had to then locate the path to the Iliad Flow. Searching "End

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1	Membership" took the consumer to a page with three blue links under the heading "Closing your
2	Amazon account," and a subheading "Get information on how to close your Amazon account."
3	The middle link was "cancel membership." Clicking "cancel membership" did not cancel
4	membership. Instead, it took the consumer to the Iliad Flow.
5	124. Typing "cancel membership" in the search bar on a mobile device brought the
6	consumer to the Iliad Flow through similar steps. See Attachment S.
7	125. Thus, to reach the Iliad Flow, consumers had to do one of the following: 1)
8	contact customer service and inform a customer service agent that they wanted to cancel
9	; 2) navigate from Amazon.com to
10	the Prime account management page (Prime Central), locate the "manage membership"
11	dropdown, and press a button labelled "End Membership"; or 3) search "How to cancel
12	membership" in the Amazon search bar, then move through subsequent steps to reach the Iliad
13	Flow—frequently, selecting a link reading "End Your Amazon Prime Membership" and then
14	pressing a button reading "End Your Prime Membership."
15	126. Once consumers reached the Iliad Flow, they had to proceed through its
16	entirety—spanning three pages, each of which presented consumers several options, beyond the
17	Prime Central page—to cancel Prime. See Attachment Q.
18	127. On the first page of the Iliad Flow, Amazon forced consumers to "[t]ake a look
19	back at [their] journey with Prime" and presented them with a summary showing the Prime
20	services they used. Amazon also displayed marketing material on Prime services, such as Prime
21	Delivery, Prime Video, and Amazon Music Prime. Amazon placed a link for each service and
22	encouraged consumers to access them immediately, i.e., "Start shopping today's deals!", "You
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can start watching videos by clicking here!", and "Start listening now!" See Attachment Q, at 3. Clicking on any of these options took the consumer out of the Iliad Flow.

Your benefit usage PRIME BENEFITS USED: PAST 12 MONTHS | PAST 30 DAYS

Movies and TV shows watched with Prime Delivery. Start shopping today's deals!

O Packages shipped for free with Prime Delivery. Start shopping today's deals!

O Video. You can start watching videos by clicking here!

Does not include Addi-On subscription usage from Amazon Music Unlimited Plan, and Prime Video Bentals or channel subscriptions.

buttons at the bottom. "Remind Me Later," the button on the left, sent the consumer a reminder three days before their Prime membership renews (an option Amazon had already presented the consumer once before, in the "Manage Membership" pull-down menu through which the consumer entered the Iliad Flow). The "Remind Me Later" button took the consumer out of the Iliad Flow without cancelling Prime. "Keep My Benefits," on the right, also took the consumer out of the Iliad Flow without cancelling Prime. Finally, "Continue to Cancel," in the middle, also did not cancel Prime but instead proceeded to the second page of the Iliad Flow. *See*Attachment Q, at 3. Therefore, consumers could not cancel their Prime subscription on the first page of the Iliad Flow.

Remind Me Later

Continue To Cancel

Keep my benefits and remind me 3 days before my membership renews

Continue To Cancel

Keep My Benefits

Continue enjoying your delivery benefit, Prime Video and many other benefits.

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129. On the second page of the Iliad Flow, Amazon presented consumers with alternative or discounted pricing, such as the option to switch from monthly to annual payments (and vice-versa), student discounts, and discounts for individuals with EBT cards or who receive government assistance. Amazon emphasized the option to switch from monthly to annual payments by stating the amount a consumer would save at the top of this page in bold. Clicking the orange button ("Switch to annual payments") or the links beneath took the consumer out of the Iliad Flow without cancelling. *See* Attachment Q, at 4.



- 130. Right above these alternatives, Amazon stated "Items tied to your Prime membership will be affected if you cancel your membership," positioned next to a warning icon. See Attachment Q, at 4.
- 131. Amazon also warned consumers that "[b]y cancelling, you will no longer be eligible for your unclaimed Prime exclusive offers," and hyperlinked to the Prime exclusive offers. *See* Attachment Q, at 4. Clicking this link took the consumer out of the Iliad Flow without cancelling.

Items tied to your Prime membership will be affected if you cancel your membership.
 By cancelling, you will no longer be eligible for your unclaimed Prime exclusive offers.

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1	132. Finally, at the bottom of Iliad Flow page two, Amazon presented consumers with
2	buttons offering the same three options as the first page: "Remind Me Later," "Continue to
3	Cancel," and "Keep My Membership" (labelled "Keep My Benefits" on the first page). See
4	Attachment Q, at 4. Once again, consumers could not cancel their Prime subscription on the
5	second page of the Iliad Flow. Choosing either "Remind Me Later" or "Keep My Membership"
6	took the consumer out of the Iliad Flow without cancelling. Consumers had to click "Continue
7	to Cancel" to access the third page of the Iliad Flow.
8	133. On the third page of the Iliad Flow, Amazon showed consumers five different
9	options, only one of which, "End Now"—presented last, at the bottom of the page—
10	immediately cancelled a consumer's Prime membership. See Attachment Q. Pressing any of the
11	first four buttons took the consumer out of the Iliad Flow without immediately cancelling.

134. On the third page of the Iliad Flow, the first and second options—"Remind Me Later" and "Keep My Membership"—were substantially identical to the buttons on the Iliad Flow's first two pages. Therefore, Amazon forced consumers who reach the Iliad Flow's last page to view the "Remind Me Later" option four times (including once to enter the Iliad Flow) and the "Keep My Membership" option three times. See Attachment Q, at 5.

You could also consider the following:

Remind Me Later	Remind Me Later
Remind me three days before my membership renews.	Necessary rise server
Keep My Membership	
You will continue enjoying all the benefits of Prime.	Keep My Membership
View everything included in Prime.	

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135. The third option, "Pause on [date]," would "pause" or put on hold—but not cancel—a consumer's Prime membership. Amazon did not charge "paused" members for Prime but made it simple for "paused" members to re-join Prime through a single "quick-resume" click. Amazon presented the "pause" option adjacent to a warning icon and text stating that, "[b]y pausing, [consumers] will no longer be eligible for [their] unclaimed Prime exclusive offers," and provided links to "Prime exclusive offers" (which if clicked exit the Iliad Flow without canceling). See Attachment Q, at 5.

Pause your Prime membership:

A Items tied to your Prime membership will be affected if you pa	use your membership.
By pausing, you will no longer be eligible for your unclaimed Prime exclusive offers.	Click here to see your offers.
Pause on September 02, 2022	
Your benefits access will continue until September 02, 2022. After that date, your billing and benefits will be paused, and you will no longer be charged for your Prime	Pause on September 02, 2022
nembership. Use the quick-resume function anytime to regain access to your Prime penefits. Learn More.	

136.

137. Above the fourth and fifth options—the "End on [date]" and "End Now" options—Amazon also added a warning icon and text that states "[b]y cancelling, [consumers] will no longer be eligible for [their] unclaimed Prime exclusive offers." *See* Attachment Q, at 5.

138. The fourth option, "End on [date]," turned off Prime's auto-renew feature. It did not immediately cancel the consumer's membership. Instead, the membership would end when the current billing cycle concluded, and the consumer would not receive a refund. *See*Attachment Q, at 5.

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139. The fifth and final option, "End Now," immediately cancelled a consumer's Prime membership (and Amazon refunded a pro-rated amount for the balance of the billing cycle). Thus, only one of the five options presented immediately cancelled a consumer's Prime membership. *See* Attachment Q, at 5.

Items tied to your Prime membership will be affected if you can	ncel your membership.
1. By cancelling, you will no longer be eligible for your unclaimed Prime exclusive offer	s.
end on September 02, 2022	
our benefits will continue until September 02, 2022, after which your card will not be harged.	End on September 02, 2022
OR	
End Now	
our benefits will end immediately and you will be refunded \$14.99 for the remaining eriod of your membership.	End New

- 140. Therefore, to complete the Iliad Flow and cancel a Prime membership, the consumer needed to click a minimum of six times from Amazon.com: Prime Central → "Manage Membership" → "End Membership" → "Continue to Cancel" → "Continue to Cancel" → "End Now." See Attachment Q.
- 141. Amazon limited refunds available through the Iliad Flow to one monthly charge, although Amazon did not disclose this to subscribers entering the flow. Consequently, a Nonconsensual Enrollee who discovered Prime charges after a few months could not obtain a full refund online.

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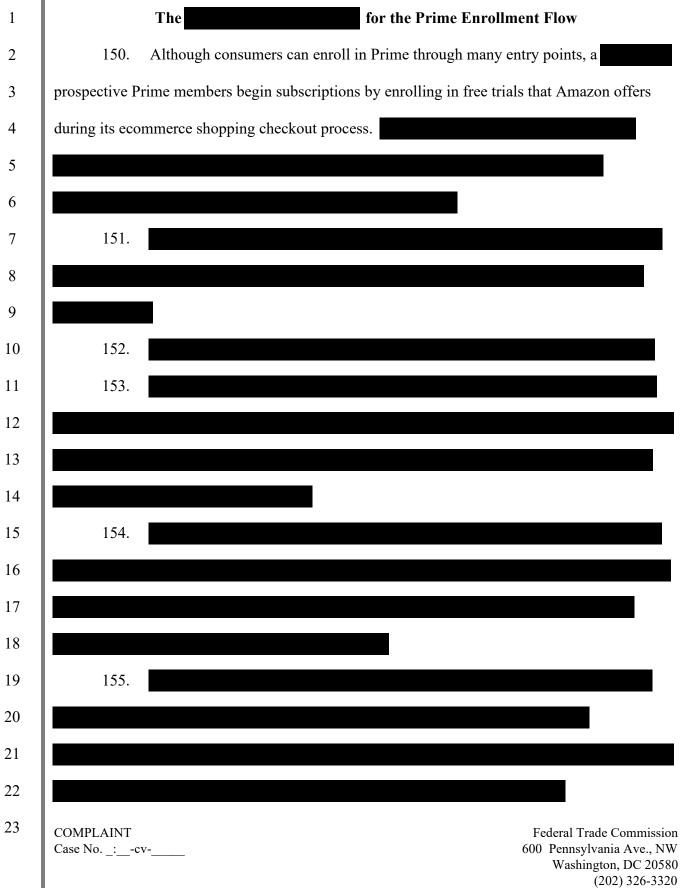
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142.	The Iliad Flow was also accessible through a mobile device. Similar to the Iliad
Flow on deskto	p, the Iliad Flow on mobile was also difficult for consumers to locate and
presented a com	pplex array of options across multiple pages. Cancelling via the Iliad Flow on a
mobile device v	vas an eight-page, eight-click minimum process.

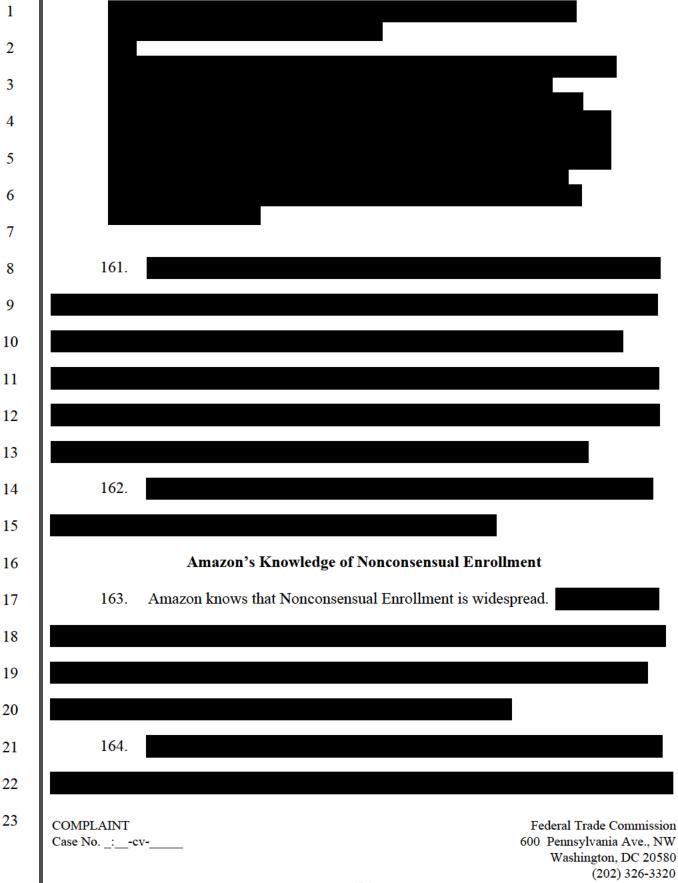
- On a mobile device, a consumer entered the Iliad Flow by 1) tapping on "My 143. Account," 2) selecting "Manage Prime Membership" from a dropdown menu on the second page, 3) selecting "Manage membership" on the third page, 4) selecting "Manage membership" on the fourth page, and 5) selecting "End my Membership" on the fifth page. See Attachment R, at 1-5.
- 144. On the sixth page, the consumer seeking to cancel began the mobile equivalent of the Iliad Flow. Specifically, on this page, Amazon presented benefits information similar to the desktop Iliad Flow, and stated at the top of the page "[Name], thank you for being a member with us. Take a look back at your journey with Prime." See Attachment R, at 6. Amazon included the same three options—"Keep My Benefits," "Continue to Cancel," and "Remind Me Later"—although consumers had to scroll down to view them. None of these options ended the Prime membership. Consumers who selected "Continue to Cancel" proceeded to a seventh page. See Attachment R, at 6.
- 145. On the seventh page, Amazon presented alternate payment options similar to those in the desktop Iliad Flow: Amazon placed the three options at the bottom of the page in

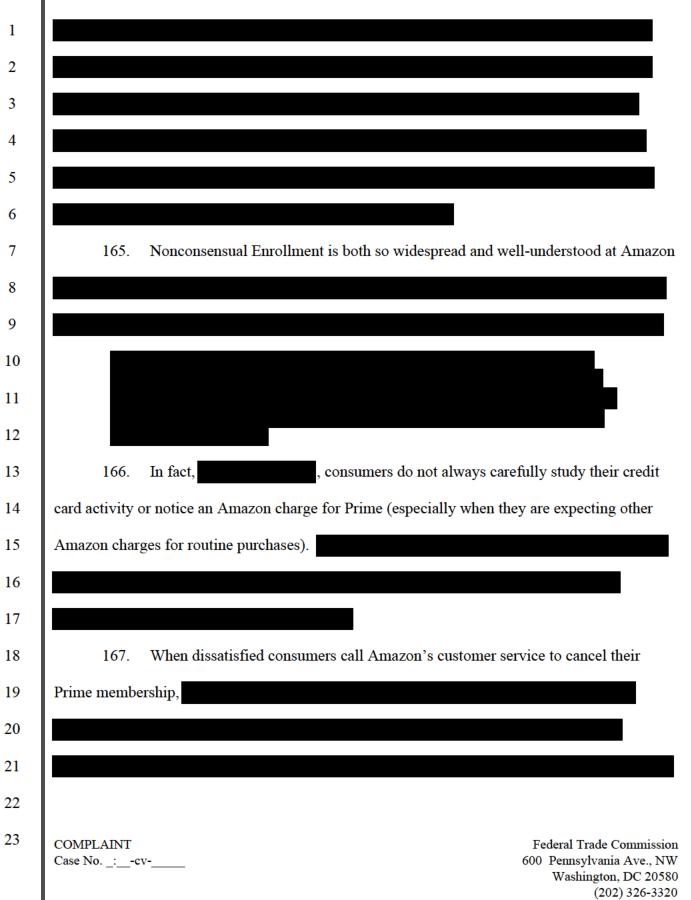
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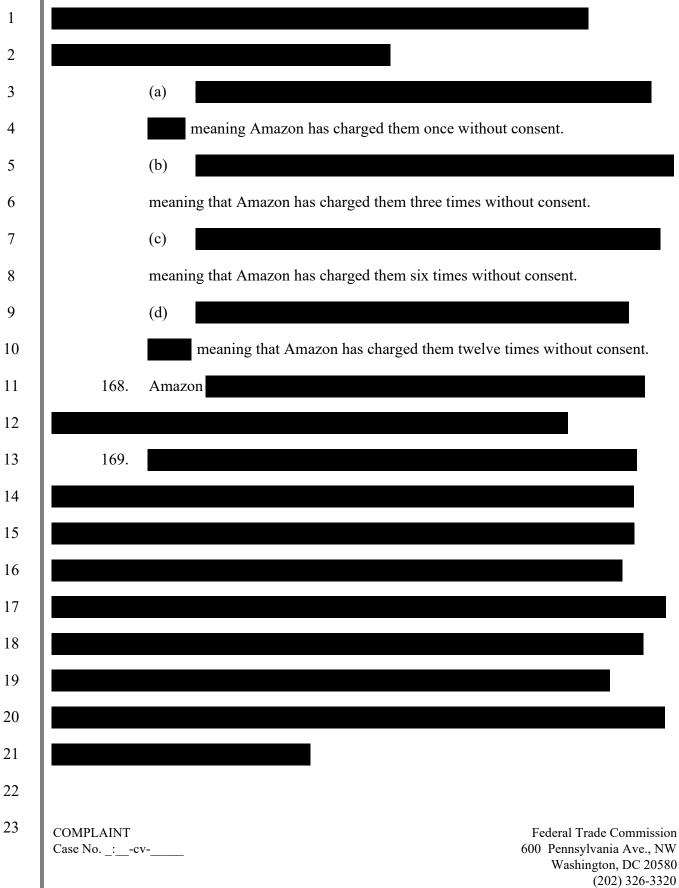
1	the same order. See Attachment R, at 7. Pressing "Continue to Cancel" did not end the
2	membership. It took the consumer to an eighth and final page. See Attachment R, at 7.
3	146. On the eighth and final page, Amazon presented five buttons. The first three were
4	"Pause on [date]," "Keep My Membership," and "Remind Me Later." The consumer had to
5	scroll down to view the fourth and fifth. The fourth ("End on [date]") turned off auto-renew, but
6	did not immediately cancel, and consumers who chose this option did not receive a refund. Only
7	the fifth and final button ("End Now") immediately cancelled the membership. Amazon
8	refunded consumers who pressed this button a pro-rated amount for the balance of the monthly
9	billing cycle. See Attachment R, at 8.
10	147. Amazon designed the Iliad Flow (both desktop and mobile) to inform consumers
11	about a) Prime benefits they would lose by cancelling Prime, and b) alternative payment methods
12	available to them to keep Prime.
13	148. Amazon did not design the Iliad Flow to be simple or easy for consumers. The
14	Iliad Flow inhibits or prevents many consumers who intend to cancel from cancelling their
15	membership.
16	149.
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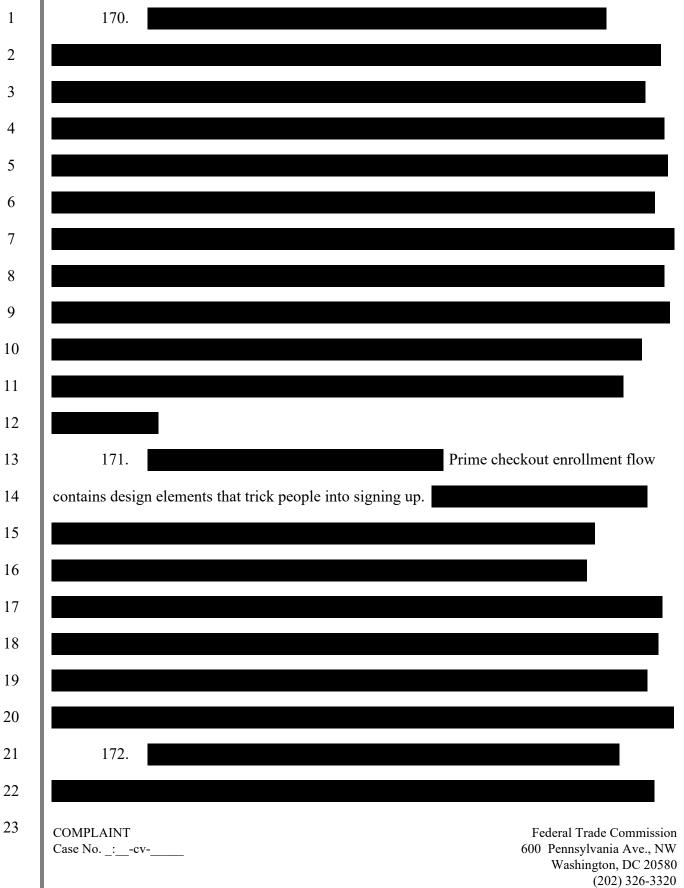


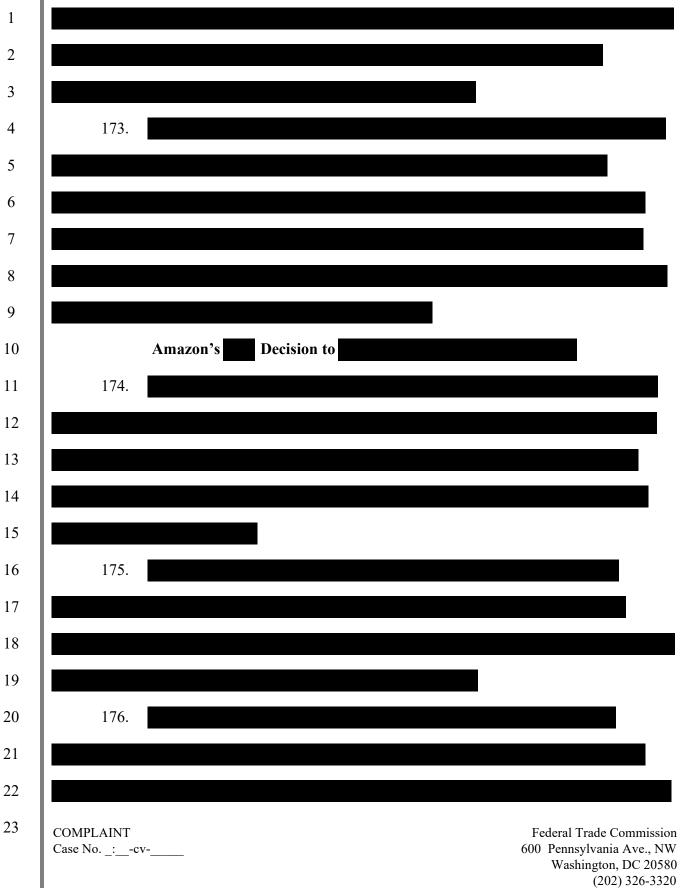


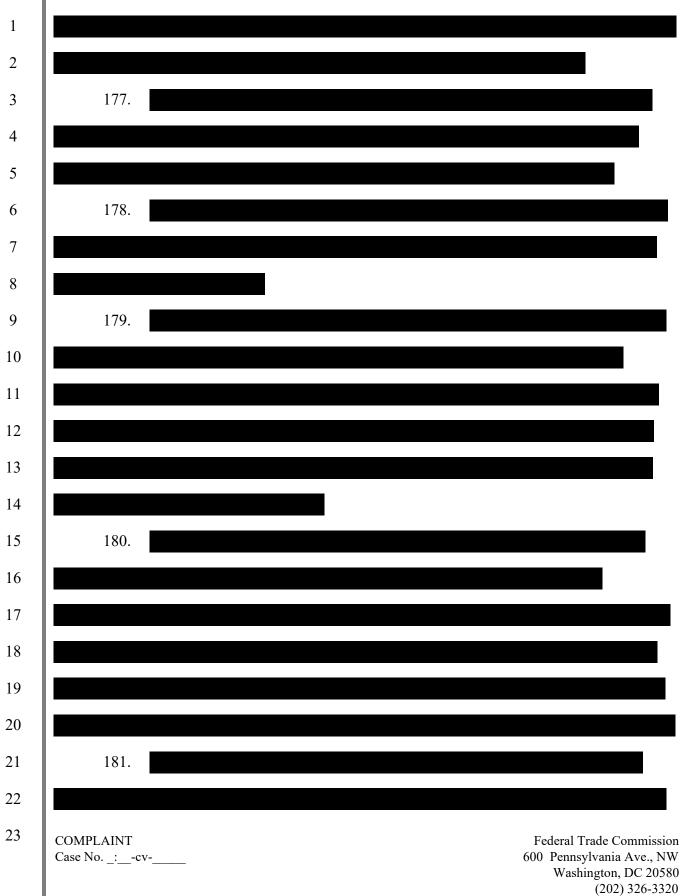


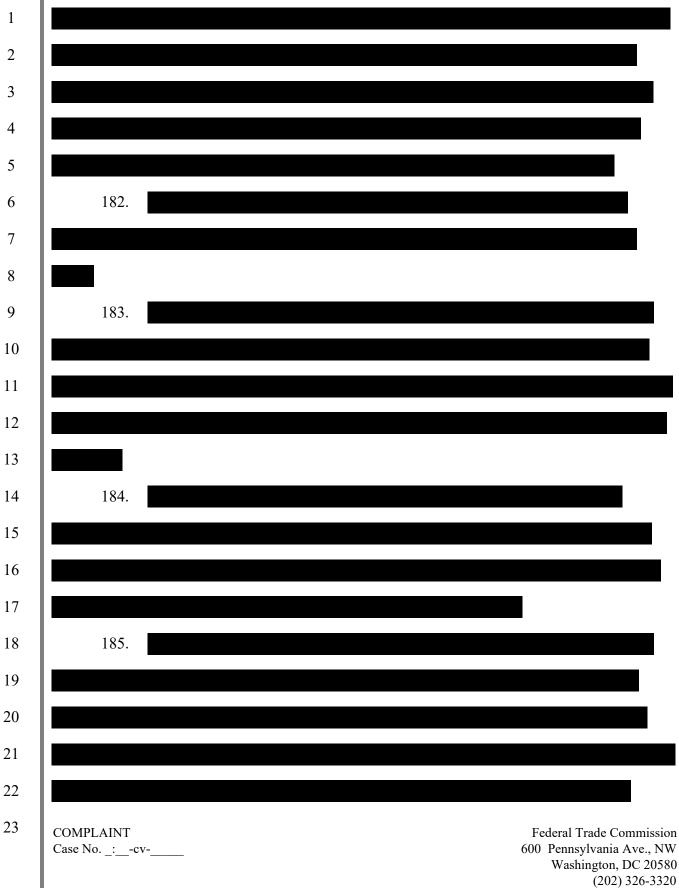


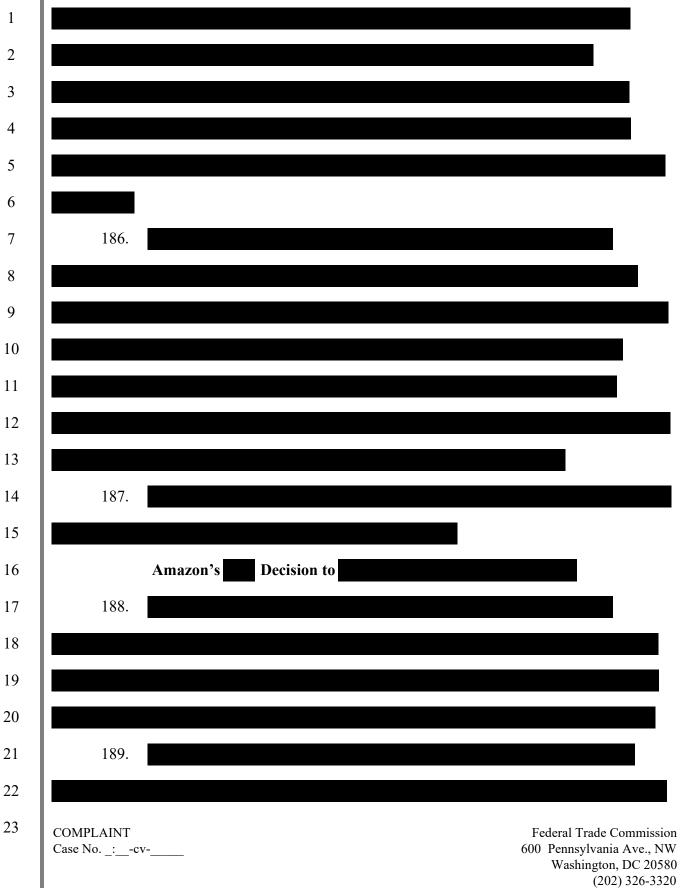


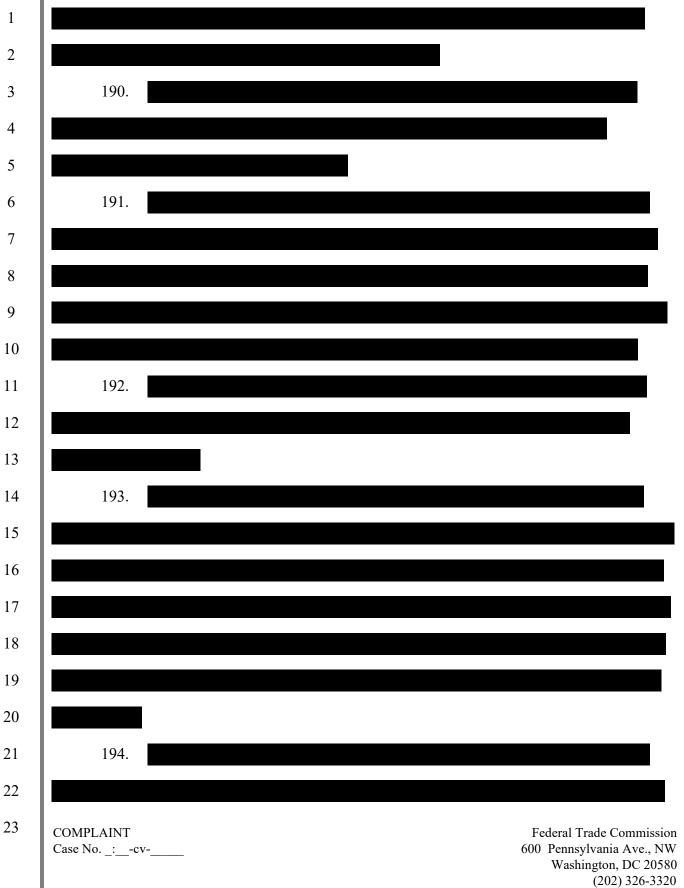




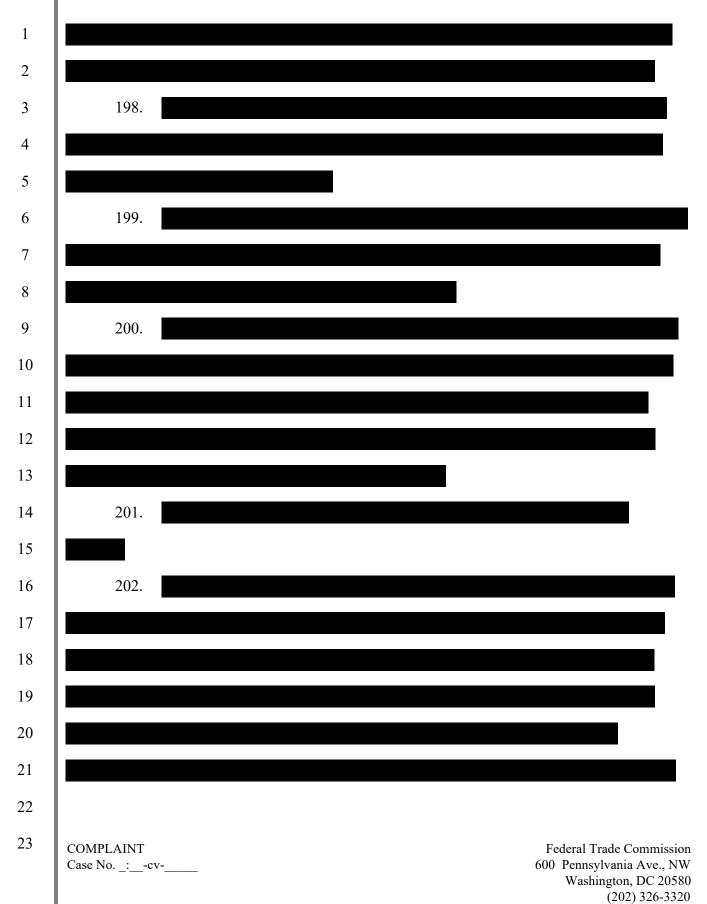


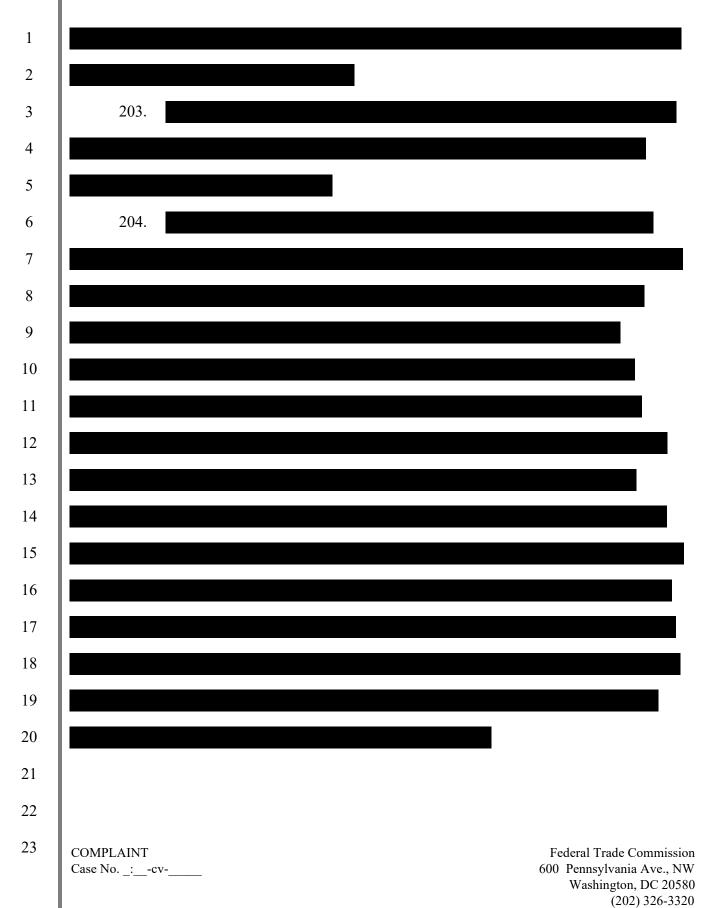


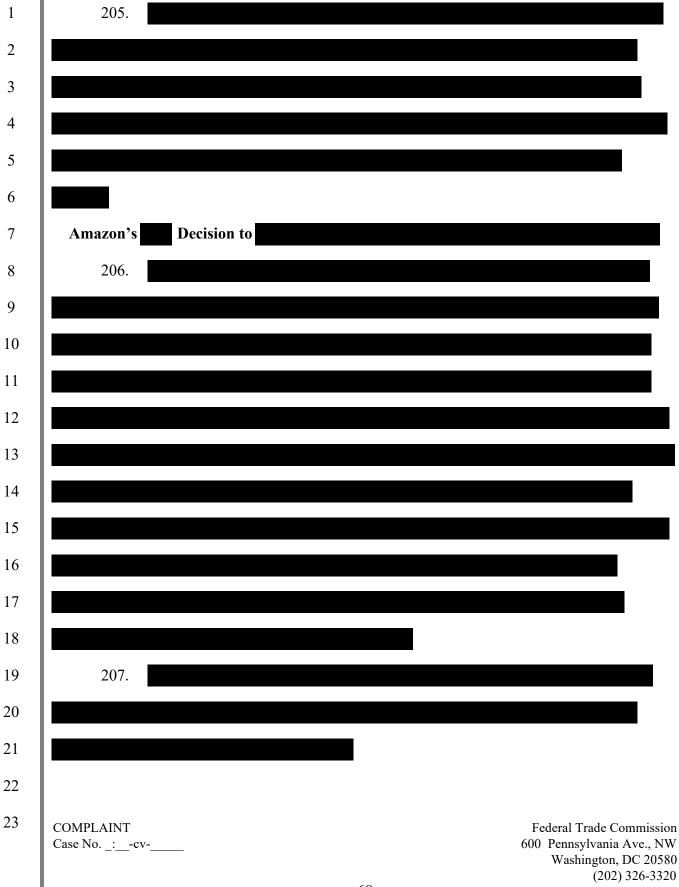


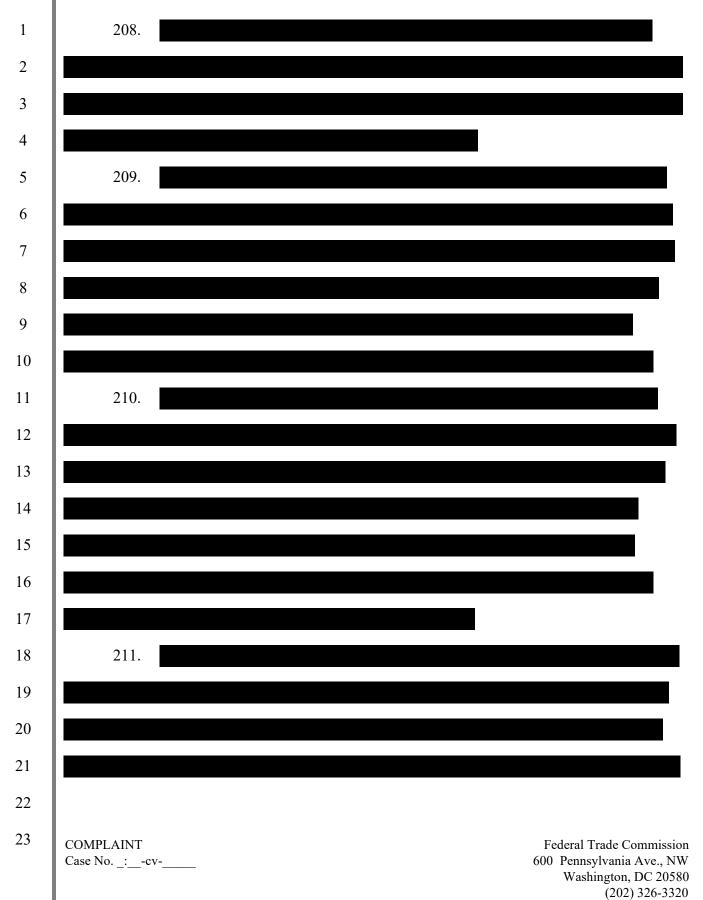












212.	
212.	
213. On March 16, 2021, the FTC issue	d a CID to Amazon seeking information
necessary to evaluate whether the Prime enrollme	nt process and the Iliad Flow violated the
Restore Online Shoppers' Confidence Act ("ROS	CA"), 15 U.S.C. §§ 8401-05.
214.	
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216.	
As discussed above, see	Paragraphs 113 and 116, Amazon made
changes to the Iliad Flow in the United States in o	or about April 2023.
Manipulative Designs in the Check	kout Enrollment and Iliad Flows
217. The manipulative designs (sometimes)	nes called dark patterns) Amazon uses, or h
used, in its Prime enrollment flows and the Iliad I	Flow include the following elements:
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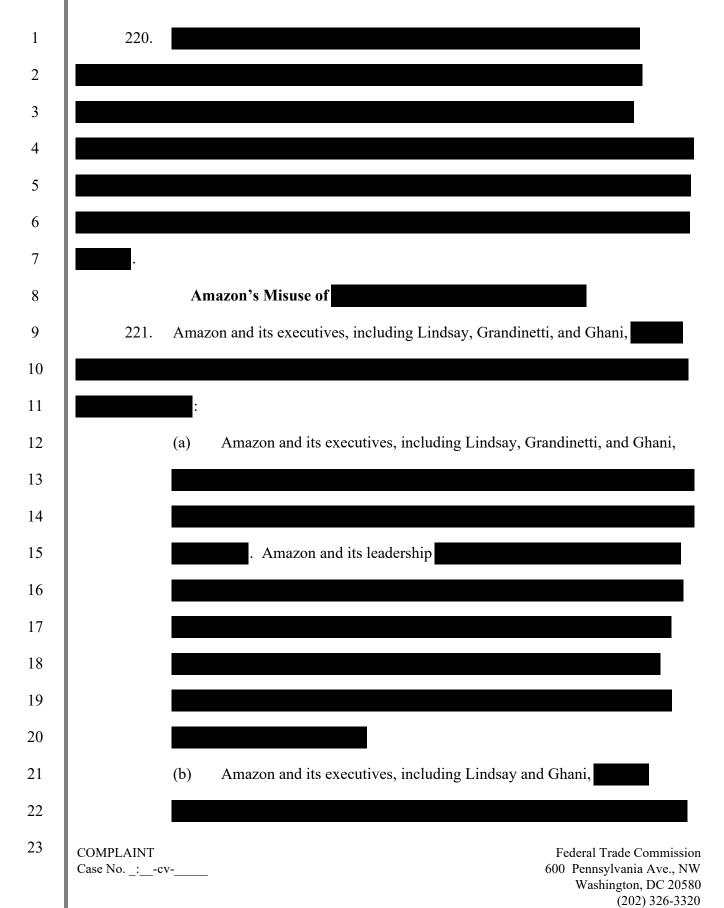
(a) <u>Forced Action</u> . "Forced Action" is a design element that requires users to		
perform a certain action to complete a process or to access certain functionality.		
(i) Amazon uses Forced Action in the version of its Prime		
enrollment flow, during which Amazon forces the consumer to choose whether to enroll in Prime		
before allowing the consumer to complete her purchase. In fact,		
knew that		
·		
(ii) Amazon also uses Forced Action in its Iliad Flow by forcing the		
consumer to proceed through multiple screens to cancel their subscription. The presence of		
Forced Action complicates the Iliad Flow.		
(b) <u>Interface Interference</u> . "Interface Interference" is a design element that		
manipulates the user interface in ways that privilege certain specific information relative to other		
information.		
(i) Amazon uses Interface Interference in its Prime checkout		
enrollment flow, most versions of which reveal the terms and conditions of Prime only once		
during the purchase process, and then only in a small, easy-to-miss font. Amazon also uses		
repetition and color to direct consumers' attention to the words "free shipping" and away from		
Prime's price, which leads some consumers to enroll without providing informed consent.		
(ii) Amazon also uses Interface Interference in the Iliad Flow by		
emphasizing options that divert the consumer from the flow without cancelling and by		
employing warning icons near the option to cancel, which evokes anxiety and fear of loss in		
consumers. The presence of Interface Interference complicates the Iliad Flow.		
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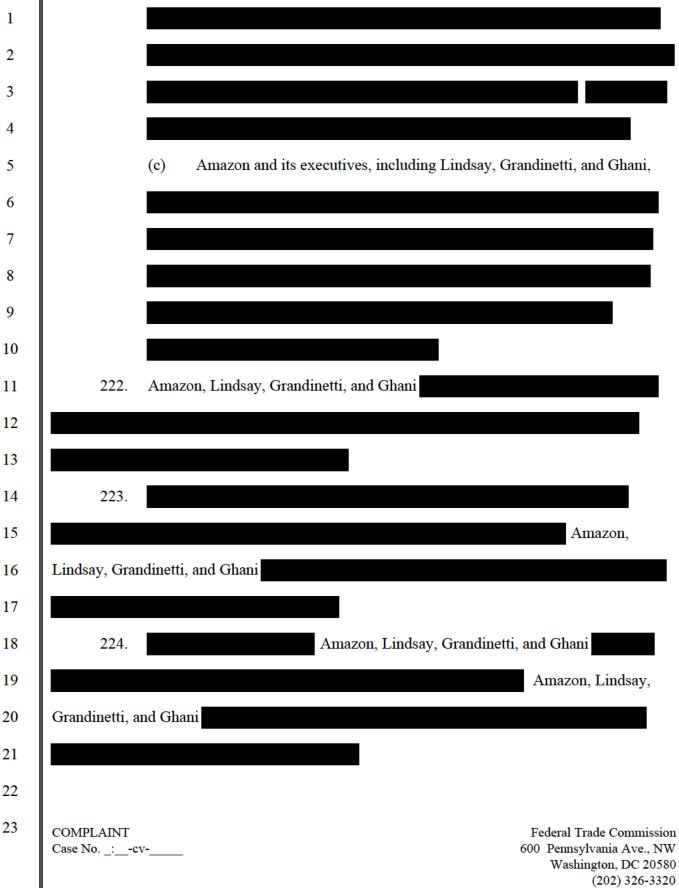
(c) <u>Obstra</u>	action ("Roach Motel"). "Obstruction," also known as the "roach		
motel" technique, is a design	a element that involves intentionally complicating a process through		
unnecessary steps to dissuad	e consumers from an action.		
(i)	Amazon uses Obstruction throughout its Prime checkout		
enrollment flows by making	the option to decline enrollment difficult to locate.		
In fact, since at least 2018, A	Amazon has known that some consumers cannot find the less		
prominent "No Thank You"	link to decline enrollment.		
(ii)	Amazon also uses Obstruction in its Iliad Flow by: (1) making the		
ingress to the Iliad Flow diff	icult for consumers to locate; and (2) forcing consumers who have		
already expressed an intent t	o cancel by locating and entering the Iliad Flow to view marketing		
and reconsider options other	than cancellation. The presence of Obstruction complicates the		
Iliad Flow.			
(d) <u>Misdi</u>	rection. "Misdirection" is a design element that focuses a		
consumer's attention on one	thing to distract from another.		
(i)	Amazon uses Misdirection in its Prime checkout enrollment flow		
by presenting asymmetric ch	noices that make it easier to enroll in Prime than not. Additionally,		
certain versions of Amazon's checkout enrollment flow offer consumers only a less prominent			
blue link to decline Prime.			
(ii)			
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4	Amazon also uses Misdirection in certain versions of the
5	Prime checkout enrollment flow
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9	(iii) Amazon also uses Misdirection in its Iliad Flow by presenting
10	consumers with asymmetric choices that make it easier to abandon an attempted Prime
11	cancellation than to complete it. In particular, Amazon uses attractors such as animation, a
12	contrasting color blue, and text to draw consumers' attention to "Remind me later" and "Keep
13	my benefits" options rather than "Continue to Cancel." Amazon further misdirects consumers
14	who have entered the Iliad Flow by presenting visually appealing options to perform acts other
15	than cancel, such as exploring the benefits of the subscription service (thereby exiting the Iliad
16	Flow). The presence of Misdirection complicates the Iliad Flow.
17	(e) <u>Sneaking</u> . "Sneaking" is a design element that consists of hiding or
18	disguising relevant information, or delaying its disclosure. Amazon uses Sneaking by failing to
19	clearly and conspicuously disclose Prime's terms and conditions during its enrollment checkout
20	flow, including its price and auto-renew attribute. Amazon also employs Sneaking by failing to
21	show Prime's price or its auto-renewal feature in the consumer's cart.
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1	(f) <u>Confirmshaming</u> . "Confirmshaming" is a design element that uses
2	emotive wording around the disfavored option to guilt users into selecting the favored option.
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9	Amazon used confirmshaming despite
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13	Amazon's Other Subscription Programs Have Similar Features
14	218. Amazon operates other subscription services including Audible (audiobooks and
15	podcasts), Kindle Unlimited (eBooks and digital media), Amazon Music Unlimited (streaming
16	music), and Subscribe & Save (regularly-scheduled delivery of consumer goods). These other
17	subscription services also use similar manipulative design elements that trick consumers into
18	signing up and thwart their cancellation attempts.
19	219.
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Amazon's Other Attempts to Delay the Commission's Investigation On March 16, 2021, the Commission issued a CID to Amazon seeking 225. information regarding the enrollment and cancellation practices associated with Prime. The CID directed Amazon to respond by April 15, 2021. 226. Amazon has over 1.5 million employees—i.e., potential document custodians and its internal communications are replete with acronyms and other jargon—i.e., potential search terms—not readily identifiable to outsiders. Accordingly, as with any discovery process, the Commission had to, and did, rely on Amazon to participate in good faith in the discovery planning process, including by identifying appropriate custodians and search terms. 227. Amazon's counsel assured the FTC's counsel that, Amazon's counsel also told the FTC's counsel These assurances are consistent with any opposing counsel's obligation to engage in good faith discovery planning. As detailed below, however, Amazon did not follow through on these assurances, In the context of the customary need to rely on opposing counsel to act in good 228. faith, Amazon counsel's significant experience working on FTC investigations, the massive amount of potential document custodians and search terms (many of which were unknowable to the Commission), and **COMPLAINT** Federal Trade Commission Case No. _:__-cv-___ 600 Pennsylvania Ave., NW Washington, DC 20580

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assurances throughout the Subject Period, the Commission agreed to rely on
Amazon to provide—in the first instance—a sufficient response to the CID, including reasonable
search terms and custodians, to enable the Commission to fairly evaluate Amazon's Prime
enrollment and cancellation practices. However, the Commission always reserved its right to ask
for additional responsive information and additional search terms and custodians.
229. Accordingly, during the Subject Period, in response to Amazon's assurances
the Commission
temporarily accepted
230. By March 14, 2022, one year later, Amazon had produced only a small amount of
material—fewer than documents—
231. On March 14, 2022, <i>Business Insider</i> published information leaked from current
and former Amazon employees regarding the problems with Amazon's Prime checkout
enrollment flow and the Iliad Flow. The Commission quickly ascertained that Amazon had
failed to disclose much of the now-leaked documents and information to the Commission,
despite the fact that at least some of it was responsive to the outstanding CID. Amazon withheld
the information
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232.				
233.	Pursuant to its reservation	on of rights, on April 19,	2022, the Commissi	ion issued an
extensive foll	ow-up demand for addition	nal information. Amazo	on did not comply w	ith this
demand,	•		1 7	
234.	On June 30, 2022, the C	ommission issued an add	litional CID to Ama	zon as well
	rious current and former ϵ			
			nents and testimony.	. Alliazoli
also did not co	omply with the June 30, 2	022 CID.		
235.	Instead, on August 5, 20	22, Amazon and certain	individual CID recip	pients
(including exe	ecutives Lindsay, Ghani, a	and Grandinetti) petition	ed the Commission t	to quash the
June 2022 CI	Ds. On September 21, 20	22, the Commission den	ied the petition in ev	ery material
respect. Thre	e Commissioners noted w	ith respect to one legal of	uestion Amazon rai	sed as a basis
to delay or av	oid providing testimony:	"The issue raised by this	s dispute is just one o	of many
challenges fac	cing FTC staff when pursu	ing complex investigation	ons of targets that m	ay perceive
benefits to pro	olonging discovery." Alth	nough the Commission o	rdered Amazon and	the
individual pet	citioners to fully comply, t	hey did not.		
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1	236. Amazon's effort to delay the Commission's investigation included
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7	237. Amazon largely failed to timely produce the documents the CIDs require.
8	Although Prime is the world's largest subscription program, Amazon produced fewer than
9	documents during the entire two-year investigation. Small businesses routinely produce
10	more material to Commission investigators. Moreover, Amazon did not produce most of those
11	documents before October 2022—eighteen months after the Commission's initial CID.
12	238. Amazon's assurances described in Paragraphs 225 through 237
13	constituted intentional misconduct meant to delay the Commission's investigation and this
14	Complaint. Furthermore, these assurances misled the Commission and
15	affirmatively concealed the causes of action asserted herein during the Subject Period.
16	Amazon's wrongful conduct foreseeably caused, and did in fact cause, delay of the
17	Commission's investigation.
18	239. At all times, the Commission acted diligently. Among other things, during the
19	Subject Period, the Commission reviewed material Amazon produced and provided feedback to
20	Amazon Counsel through correspondence and teleconferences. The Commission also made
21	supplemental requests and, to expedite Amazon's response, demanded that the company accept a
22	timeline for its production.
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- 240. Amazon's bad faith response to the Commission's CID constitutes an extraordinary circumstance beyond the Commission's control. But for Amazon's effort to frustrate the Commission's investigation, the Commission would have filed this action many months earlier. Amazon's assurances described in Paragraphs 225 through 237 delayed the Commission's investigation during the period from April 15, 2021 (the initial CID return date) and March 14, 2022
- 241. Amazon's largely unsuccessful petition to quash delayed the Commission's investigation during the period of its pendency, from August 5, 2022 until September 21, 2022.
- 242. Based on the facts and violations of law alleged in this Complaint, the FTC has reason to believe that Defendant is violating, and is about to violate, laws enforced by the Commission because Defendant has engaged in ROSCA violations repeatedly and knowingly for years. Those violations are ongoing. Even if Amazon halts or has halted some problematic conduct, Amazon has

243. Additionally, until shortly before the Commission filed this Complaint, Amazon used the Iliad Flow to persuade consumers to keep their Prime subscriptions. Amazon only revamped Iliad in response to pressure from the Commission, and without such pressure—including this lawsuit—Amazon would likely restore Iliad. Furthermore, the revamped cancellation process still contains problematic elements because the cancellation process remains difficult to locate on both desktop and mobile. Amazon still requires five clicks on desktop and six on mobile for consumers to cancel from Amazon.com. And both flows still require consumers to proceed through extraneous information unnecessary to the cancellation process

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and presented solely to discourage cancellation. The continued presence of these problematic				
elements illustrates that, although the form of the cancellation flow recently changed, Amazon's				
mindset has not.				
244. Indeed, Amazon considers changes to Prime enrollment and cancellation				
mechanisms as "decisions, meaning that those changes can be undone at any				
time.				
245. Amazon is one of the world's largest and most well-resourced companies. It has				
extensive legal resources including in-house and outside counsel with expertise in the FTC Act,				
ROSCA, and the company's other consumer protection obligations. Amazon embedded in-				
house counsel within the Prime Organization, and key decisionmakers Lindsay, Ghani, and				
Grandinetti				
246. Accordingly, Amazon has actual knowledge or knowledge fairly implied on the				
basis of objective circumstances that its actions are unfair or deceptive and are prohibited by				
ROSCA.				
<u>VIOLATIONS OF THE FTC ACT</u>				
247. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits "unfair or deceptive acts				
or practices in or affecting commerce."				
248. Acts or practices are unfair under Section 5 of the FTC Act if they cause or are				
likely to cause substantial injury to consumers that consumers cannot reasonably avoid				
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1	themselves and that is not outweighed by countervailing benefits to consumers or competition.		
2	15 U.S.C. § 45(n).		
3	<u>COUNT I</u>		
4	Unfairly Charging Consumers Without Consent		
5	249. In numerous instances, as described in Paragraphs 2 through 224 above,		
6	Defendant has charged consumers without their express informed consent.		
7	250. Defendant's actions cause or are likely to cause substantial injury to consumers		
8	that consumers cannot reasonably avoid themselves and that is not outweighed by countervailing		
9	benefits to consumers or competition.		
10	251. Therefore, Defendant's acts or practices as set forth in Paragraph 249 constitute		
11	unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), (n).		
12	VIOLATIONS OF THE RESTORE ONLINE SHOPPERS CONFIDENCE ACT		
13	252. In 2010, Congress passed the Restore Online Shoppers' Confidence Act, 15		
14	U.S.C. §§ 8401-05, which became effective on December 29, 2010. Congress passed ROSCA		
15	because "[c]onsumer confidence is essential to the growth of online commerce. To continue its		
16	development as a marketplace, the Internet must provide consumers with clear, accurate		
17	information and give sellers an opportunity to fairly compete with one another for consumers'		
18	business." Section 2 of ROSCA, 15 U.S.C. § 8401.		
19	253. Section 4 of ROSCA, 15 U.S.C. § 8403, generally prohibits charging consumers		
20	for goods or services sold in transactions effected on the Internet through a negative option		
21	feature, as that term is defined in the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R.		
22	§ 310(w), unless the seller: (a) clearly and conspicuously discloses all material terms of the		
23	COMPLAINT Case No:cv Washington, DC 20580 (202) 326-3320		

1	transaction before obtaining the consumer's billing information; (b) obtains the consumer's		
2	express informed consent before making the charge; and (c) provides simple mechanisms to stop		
3	recurring charges. See 15 U.S.C. § 8403.		
4	254. The TSR defines a negative option feature as: "in an offer or agreement to sell or		
5	provide any goods or services, a provision under which the consumer's silence or failure to take		
6	an affirmative action to reject goods or services or to cancel the agreement is interpreted by the		
7	seller as acceptance of the offer." 16 C.F.R. § 310.2(w).		
8	255. As described in Paragraphs 2 through 224, Defendant has created and manages		
9	several negative option features as defined by the TSR, 16 C.F.R. § 310.2(w), including Prime.		
10	256. Pursuant to Section 5 of ROSCA, 15 U.S.C. § 8404(a), and Section 18(d)(3) of		
11	the FTC Act, 15 U.S.C. § 57a(d)(3), a violation of ROSCA constitutes a violation of a rule under		
12	section 18 of the FTC Act, 15 U.S.C. § 57a, and constitutes an unfair or deceptive act or practice		
13	in or affecting commerce, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).		
14	257. Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), as modified by		
15	Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. § 2461, as		
16	amended, and as implemented by 16 C.F.R. § 1.98(d), authorizes this Court to award monetary		
17	civil penalties of up to \$50,120 for each violation of ROSCA, 16 C.F.R. § 1.98(d).		
18	<u>COUNT II</u>		
19	Violation of ROSCA—Inadequate Disclosures		
20	258. In numerous instances, in connection with charging consumers for goods or		
21	services sold in transactions effected on the Internet through a negative option feature, as		
22			
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described in Paragraphs 2 through 224 above, Defendant failed to clearly and conspicuously disclose all material terms of the transaction, including the price of Prime, its auto-renewal provision, and cancellation requirements, before obtaining the consumer's billing information.

- 259. Defendant's practices as set forth in Paragraph 258 are violations of Section 4 of ROSCA, 15 U.S.C. § 8403(1), and are therefore violations of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a, 15 U.S.C. § 8404(a), and therefore constitute an unfair or deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
- 260. Defendant committed the violations set forth in Paragraph 258 with the knowledge required by Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

COUNT III

Violation of ROSCA—Nonconsensual Enrollment

- 261. In numerous instances, in connection with charging consumers for goods or services sold in transactions effected on the Internet through a negative option feature, as described in Paragraphs 2 through 224 above, Defendant failed to obtain the consumer's express informed consent before charging the consumer's credit card, debit card, bank account, or other financial account for the transaction.
- 262. Defendant's practices as set forth in Paragraph 261 are violations of Section 4 of ROSCA, 15 U.S.C. § 8403(2), and are therefore violations of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a, 15 U.S.C. § 8404(a), and therefore constitute an unfair or deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
- 263. Defendant committed the violations set forth in Paragraph 261 with the knowledge required by Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

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1 **COUNT IV** Violation of ROSCA—Failure To Provide Simple Cancellation Mechanism 2 264. In numerous instances, in connection with charging consumers for goods or 3 services sold in transactions effected on the Internet through a negative option feature, as 4 described in Paragraphs 2 through 224 above, Defendant fails to provide simple mechanisms for 5 6 a consumer to stop recurring charges for the good or service to the consumer's credit card, debit card, bank account, or other financial account. 7 Defendant's practices as set forth in Paragraph 264 are violations of Section 4 of 265. 8 9 ROSCA, 15 U.S.C. § 8403(3), and are therefore violations of a rule promulgated under Section 10 18 of the FTC Act, 15 U.S.C. § 57a, 15 U.S.C. § 8404(a), and therefore constitute an unfair or deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a). 11 12 266. Defendant committed the violations set forth in Paragraph 264 with the 13 knowledge required by Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A). 14 **CONSUMER INJURY** 15 Consumers are suffering, have suffered, and will continue to suffer substantial injury as a 16 result of Defendant's violations of the FTC Act and ROSCA. Absent injunctive relief by this 17 Court, Defendant is likely to continue to injure consumers and harm the public interest. 18 PRAYER FOR RELIEF Wherefore, Plaintiff requests that the Court: 19 20 A. Enter a permanent injunction to prevent future violations of the FTC Act and 21 ROSCA by Defendant; 22 23 **COMPLAINT** Federal Trade Commission Case No. _:__-cv-___ 600 Pennsylvania Ave., NW Washington, DC 20580 (202) 326-3320

1	B.	Award Plaintiff monetary	civil penalties from Defendant for every violation of	
2	ROSCA;			
3	C.	C. Award monetary and other relief within the Court's power to grant; and		
4	D.	Award any additional relief as the Court determines to be just and proper.		
5				
6			Respectfully submitted,	
7	Dated: June	21, 2023	By: /s/ Evan Mendelson EVAN MENDELSON (DC Bar #996765)	
9			By: /s/ Jonathan Cohen JONATHAN COHEN (DC Bar #483454)	
10			By: /s/ Olivia Jerjian OLIVIA JERJIAN (DC Bar #1034299)	
11 12			By: /s/ Thomas Maxwell Nardini THOMAS MAXWELL NARDINI (IL Bar #	
13			6330190)	
14			Federal Trade Commission 600 Pennsylvania Avenue, NW Washington, DC 20580	
15				
16			(202) 326-3320; emendelson@ftc.gov (Mendelson) (202) 326-2551; jcohen2@ftc.gov (Cohen)	
17			(202) 326-2749; ojerjian@ftc.gov (Jerjian) (202) 326-2812; tnardini@ftc.gov (Nardini)	
18			By: /s/ Colin D. A. MacDonald Colin D. A. MacDonald (WSBA # 55243)	
19			Federal Trade Commission 915 Second Ave., Suite 2896	
20			Seattle, WA 98174 (206) 220-4474; cmacdonald@ftc.gov (MacDonald)	
21			ATTORNEYS FOR PLAINTIFF	
22			FEDERAL TRADE COMMISSION	
23	COMPLAINT Case No:cv	v	Federal Trade Commission 600 Pennsylvania Ave., NW Washington, DC 20580 (202) 326-3320	
	1		97	

ATTACHMENT A FILED UNDER SEAL

ATTACHMENT B FILED UNDER SEAL

ATTACHMENT C FILED UNDER SEAL

ATTACHMENT D FILED UNDER SEAL

ATTACHMENT E FILED UNDER SEAL

ATTACHMENT F FILED UNDER SEAL

ATTACHMENT G FILED UNDER SEAL

ATTACHMENT H FILED UNDER SEAL

ATTACHMENT I FILED UNDER SEAL

ATTACHMENT J FILED UNDER SEAL

ATTACHMENT K FILED UNDER SEAL

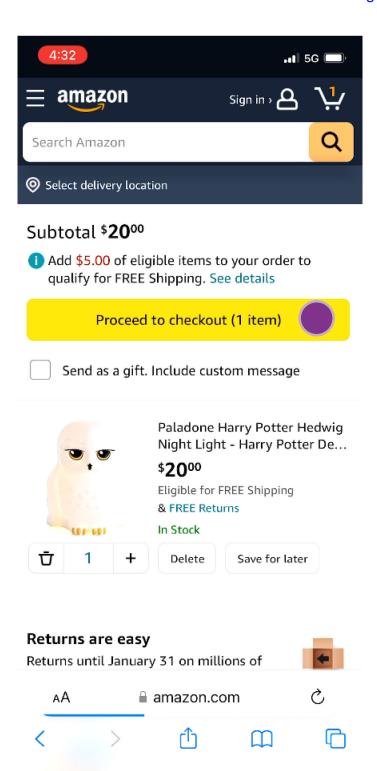
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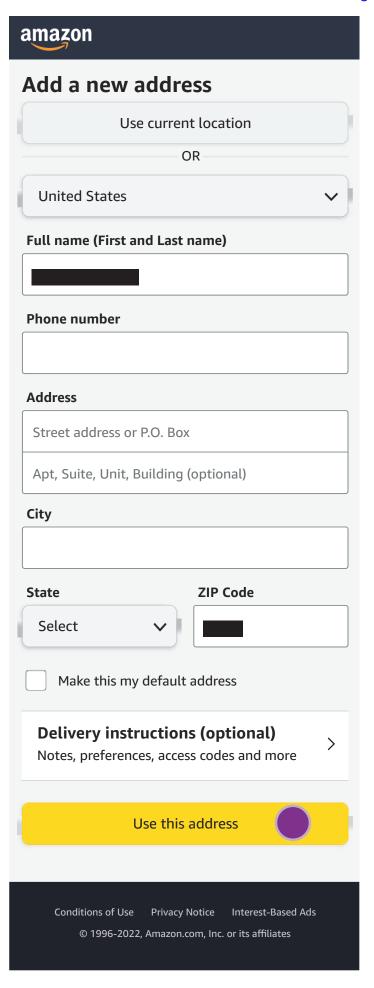
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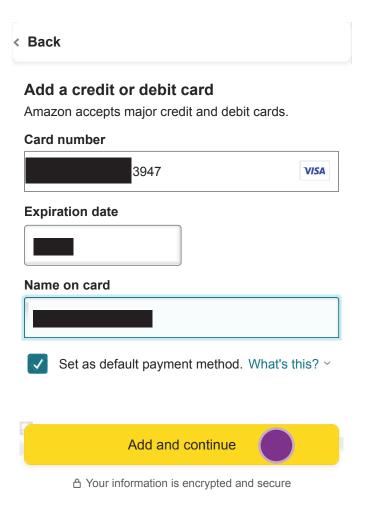
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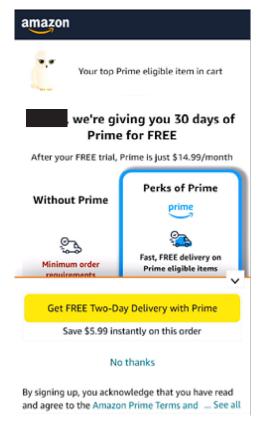
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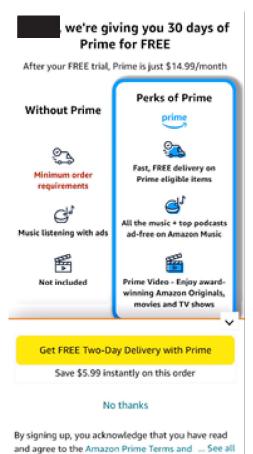


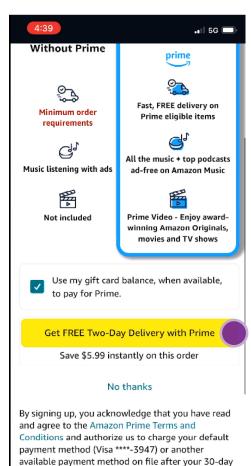




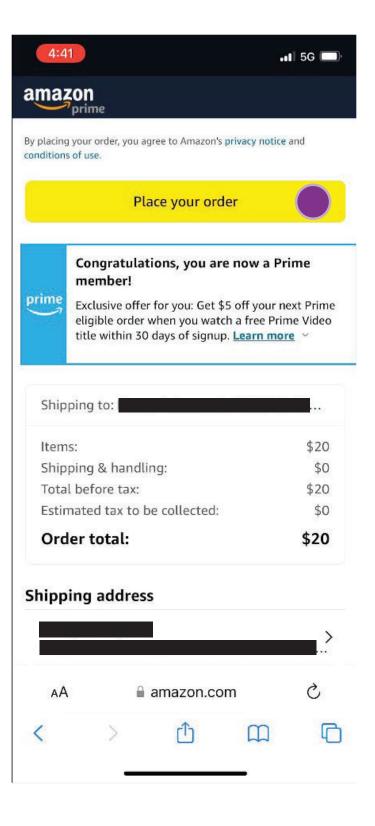


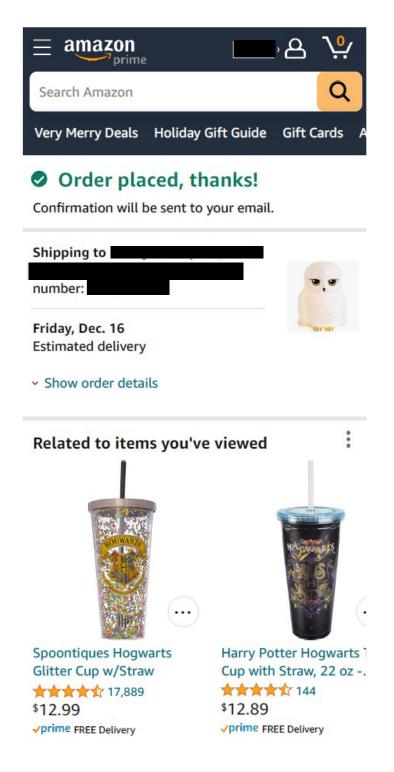






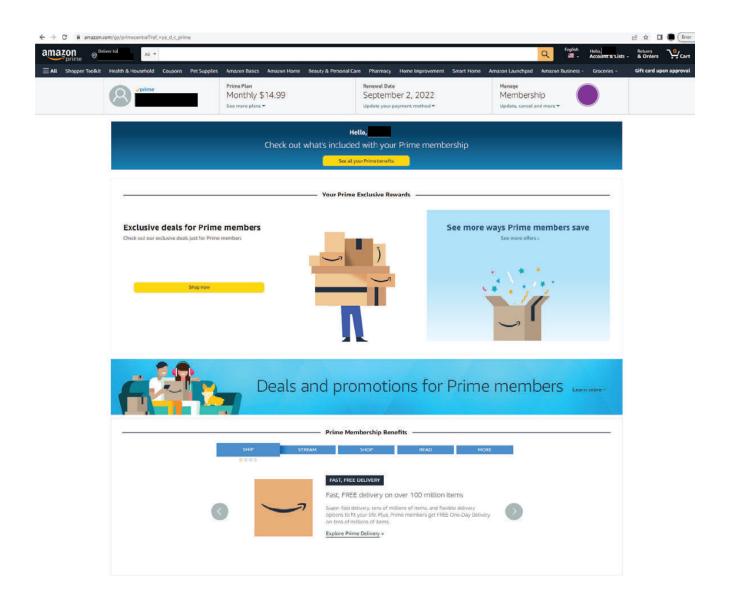
free trial. Your Amazon Prime membership continues until cancelled. If you do not wish to

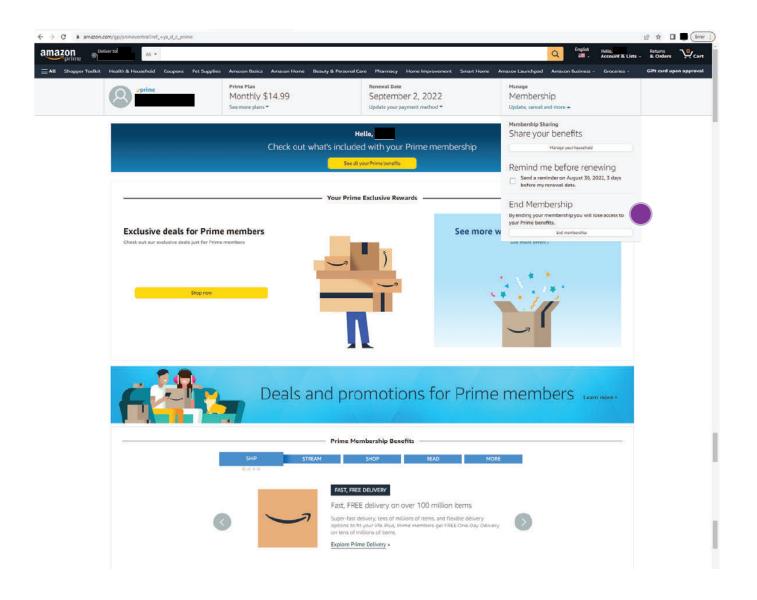




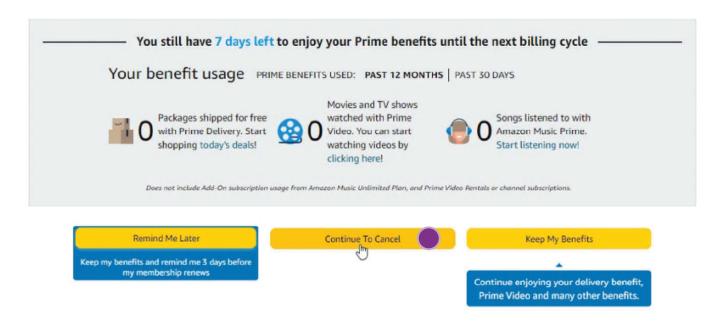
ATTACHMENT P FILED UNDER SEAL

ATTACHMENT Q





thank you for being a member with us. Take a look back at your journey with Prime.





save \$40.88 over 12 months by switching to annual payments

Items tied to your Prime membership will be affected if you cancel your membership.

1. By cancelling, you will no longer be eligible for your unclaimed Prime exclusive offers.

Get all the benefits of Prime for less



We'd like to offer you the chance to enjoy all the benefits of Prime for only \$139/year.

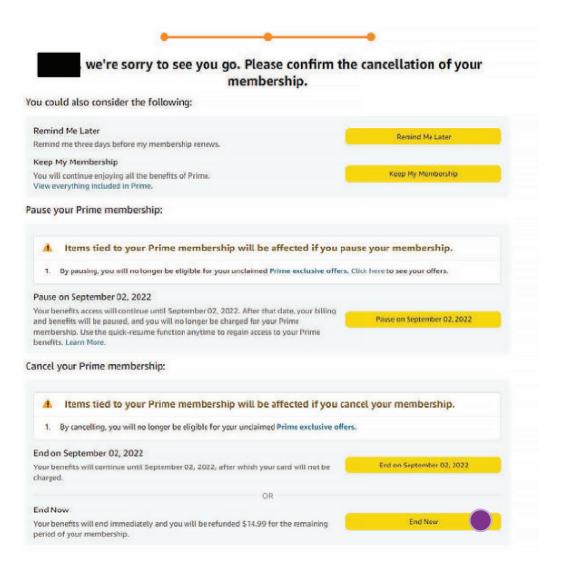
Switch to annual payments >

Are you a student?

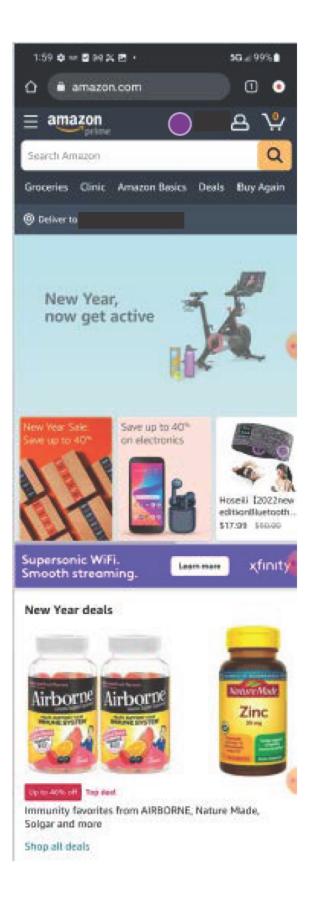
Have an EBT card/receive government assistance?

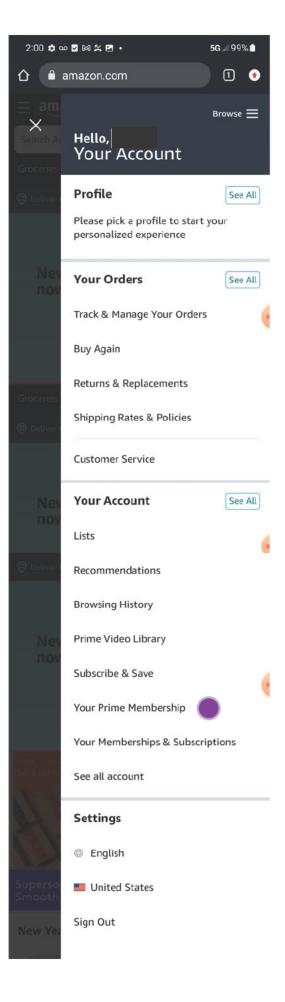
By clicking "Switch to annual payments", your default payment method or another available payment method on file will be charged \$139/year plus any applicable taxes. Your Prime membership will continue until cancelled. You will be refunded \$14.99 for your current plan.

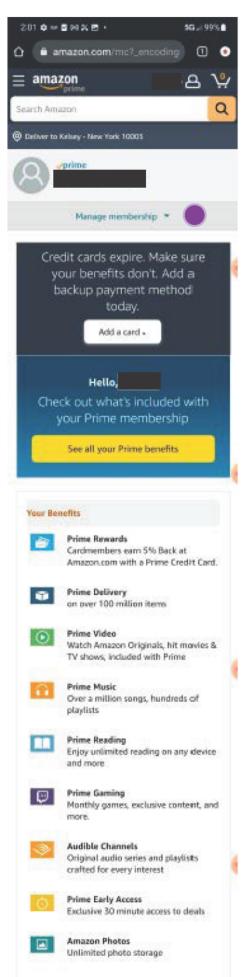


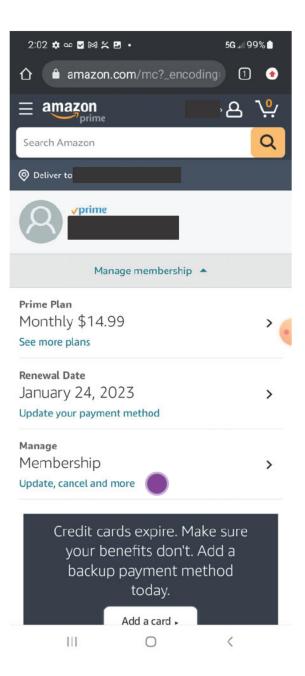


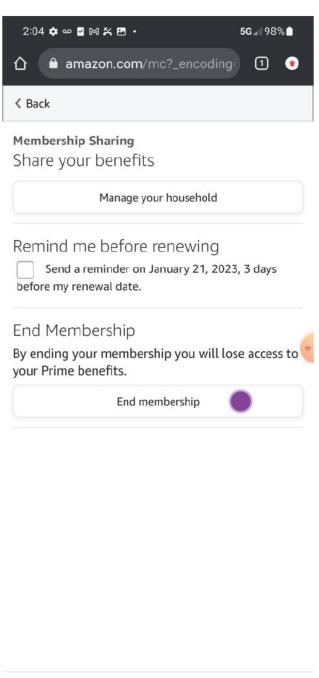
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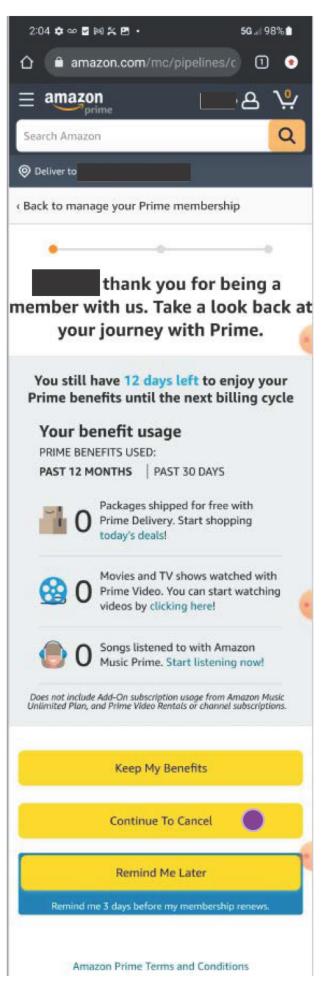




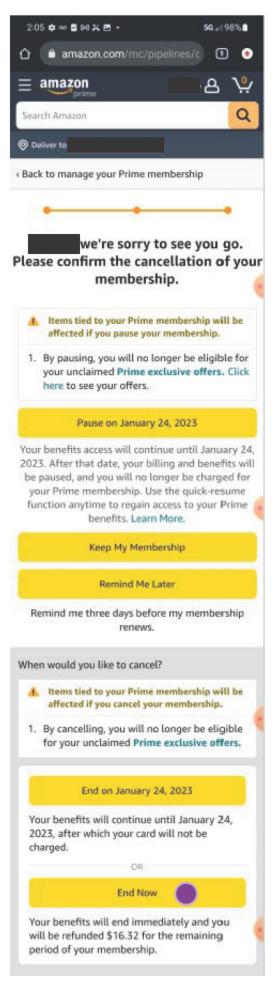


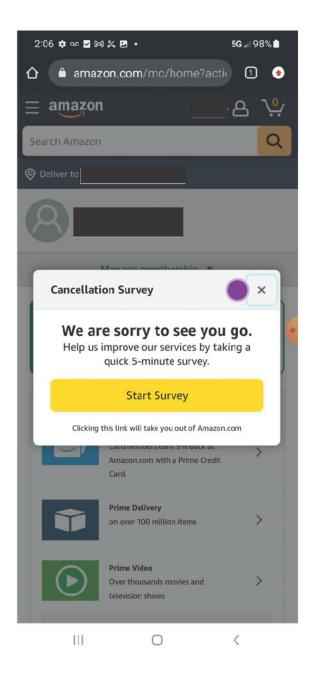


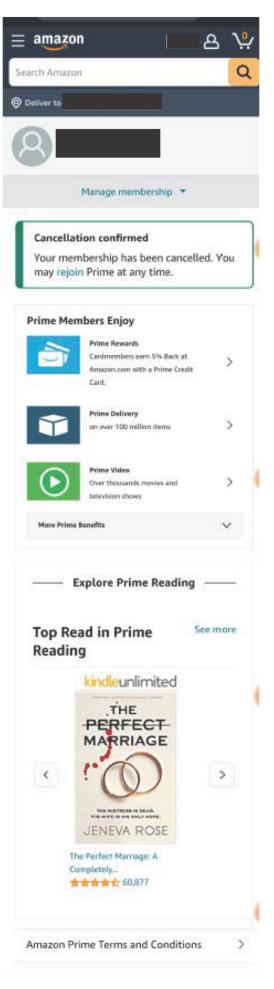
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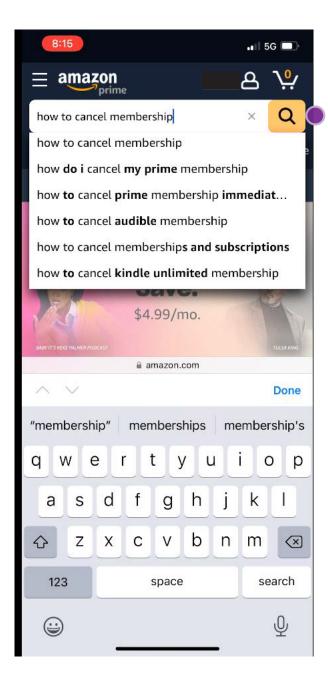


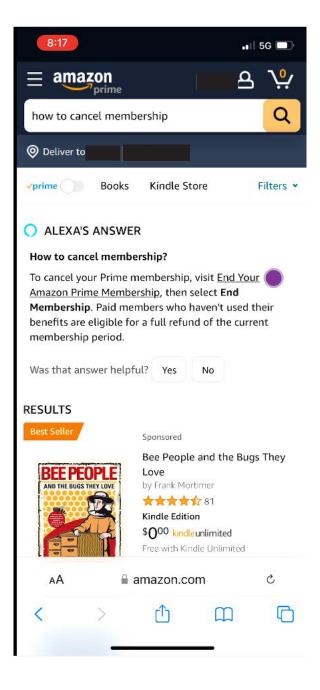


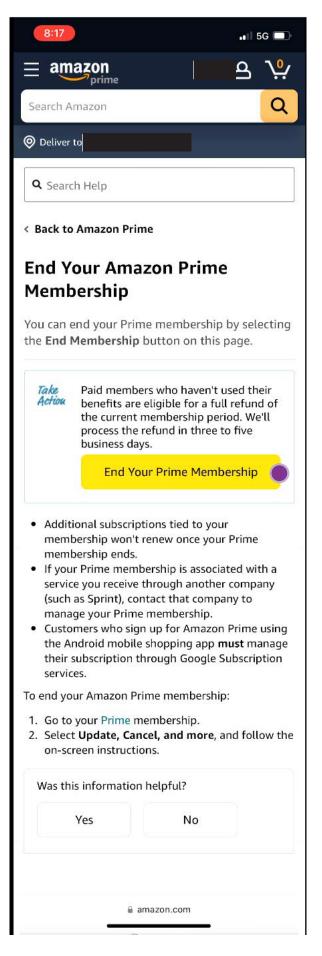


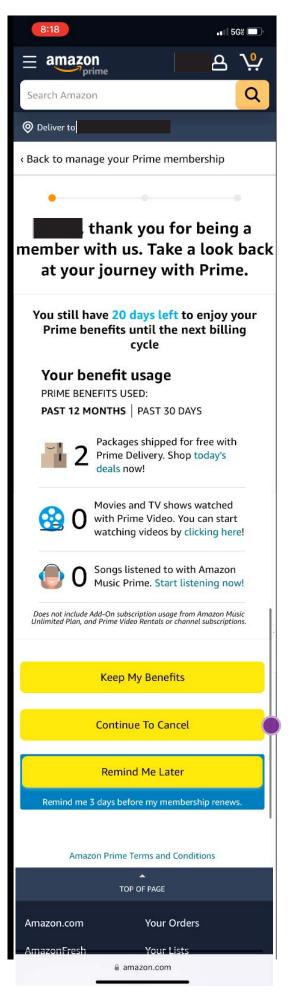


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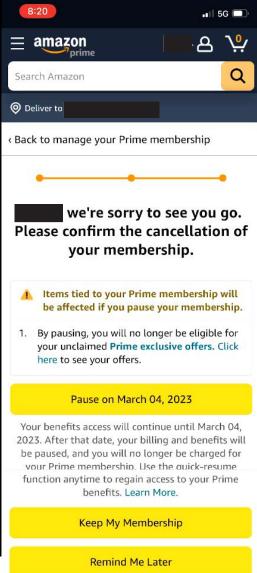




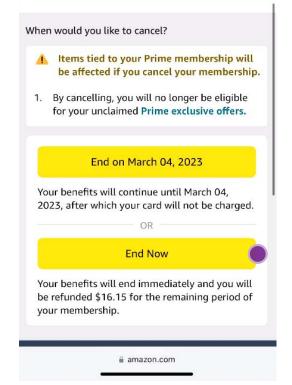




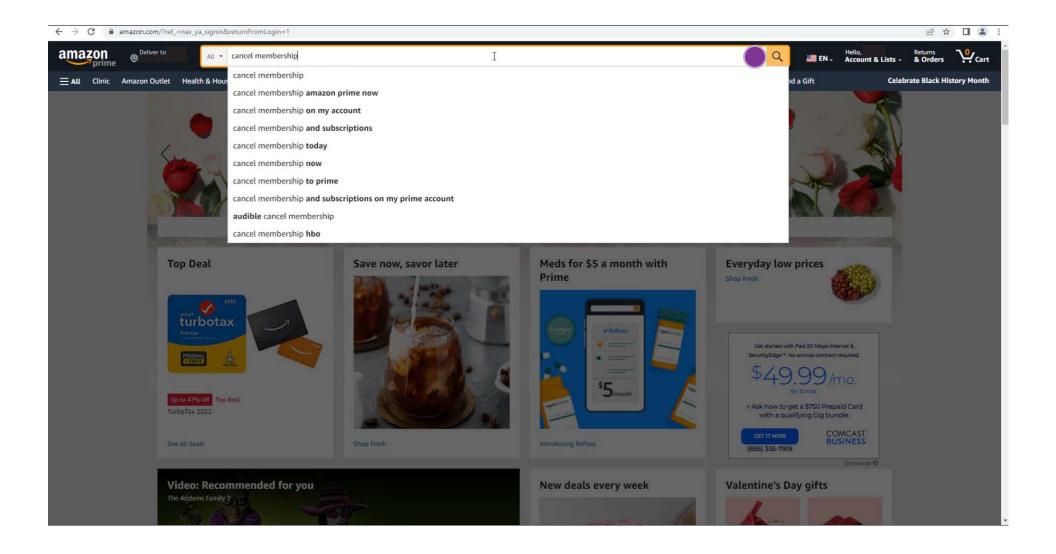


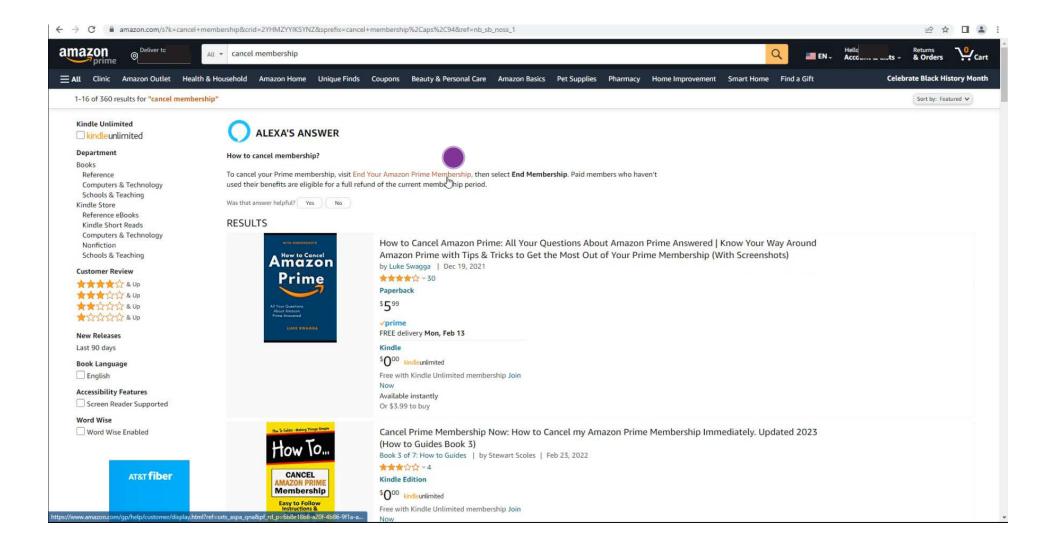


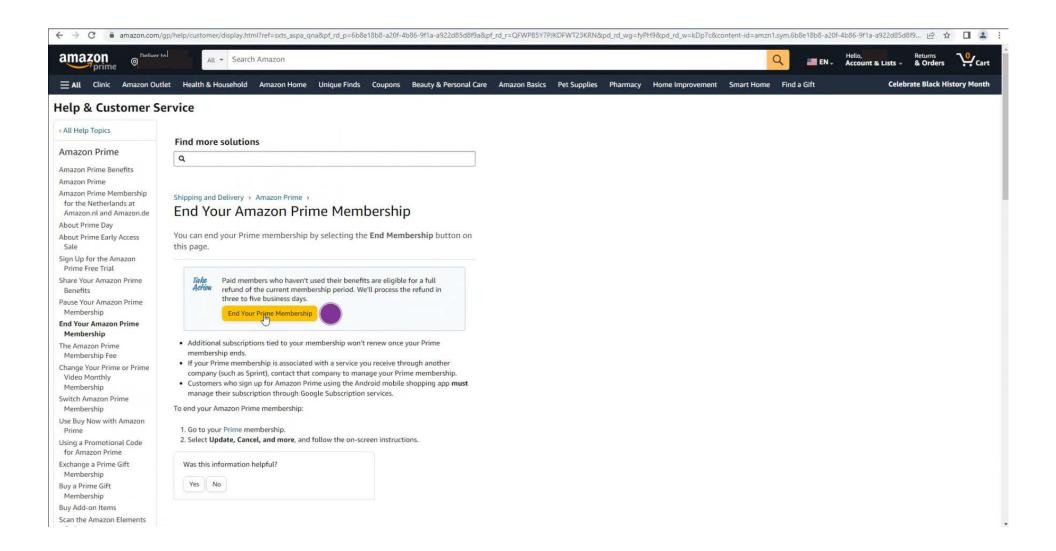
Remind me three days before my membership renews.

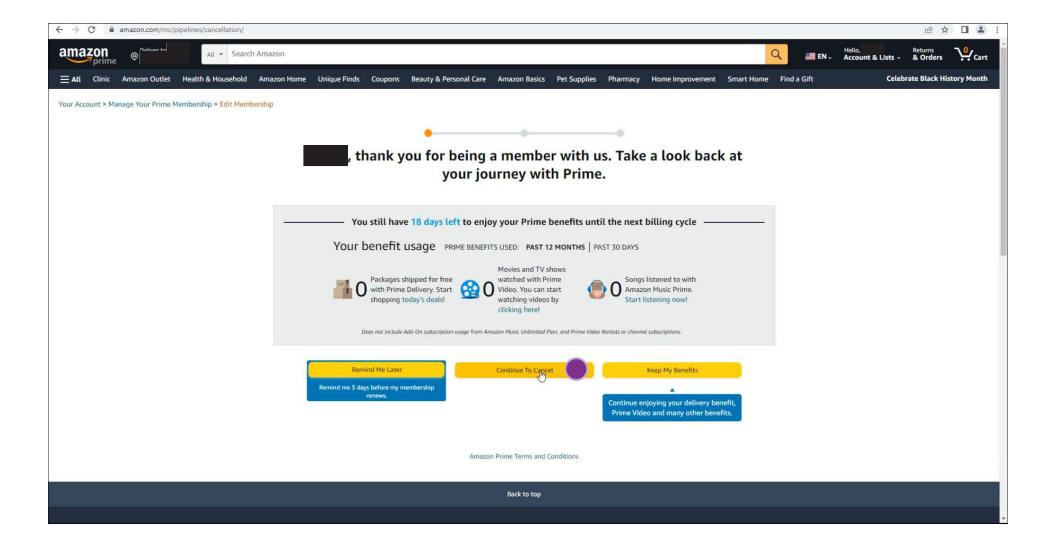


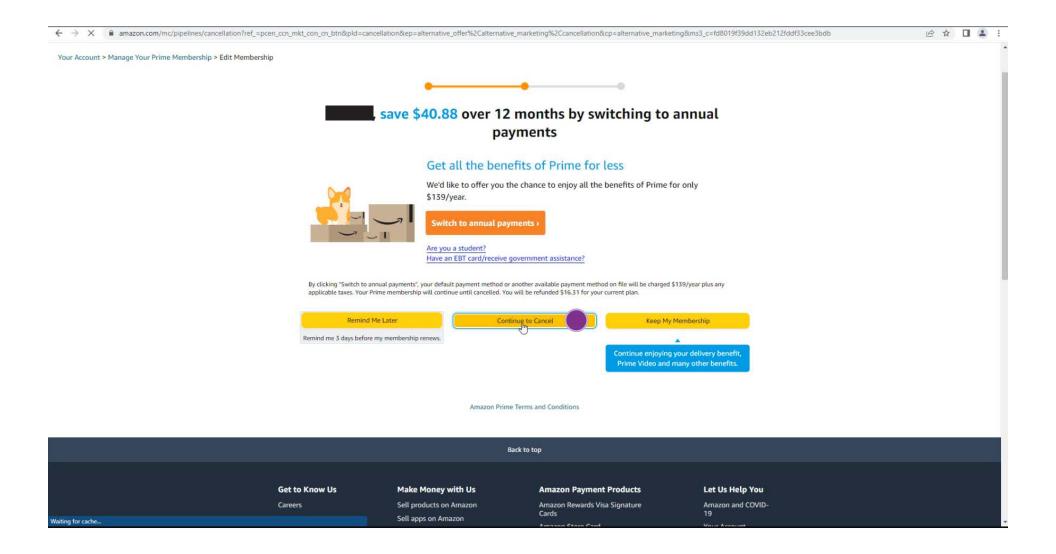
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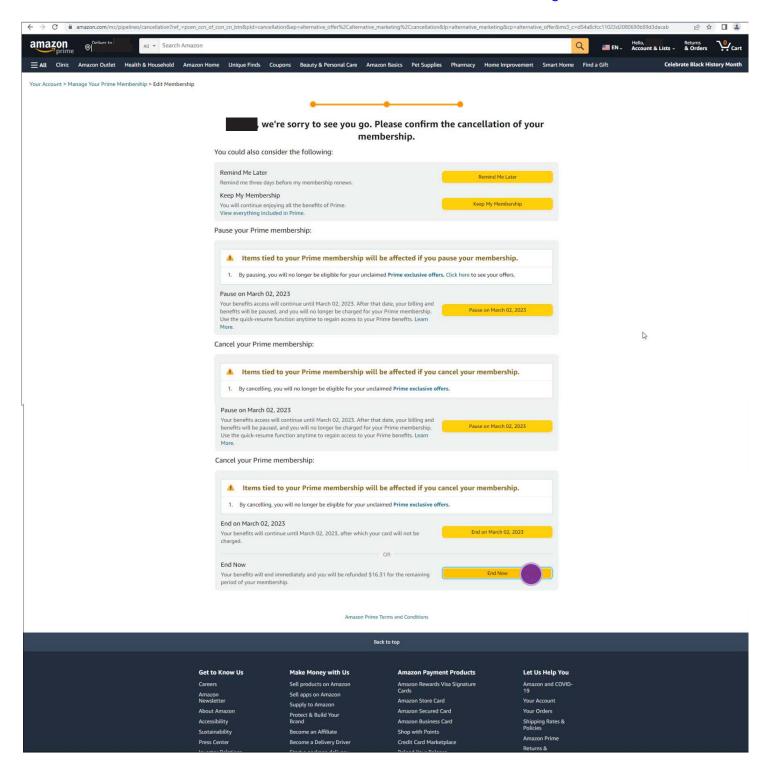


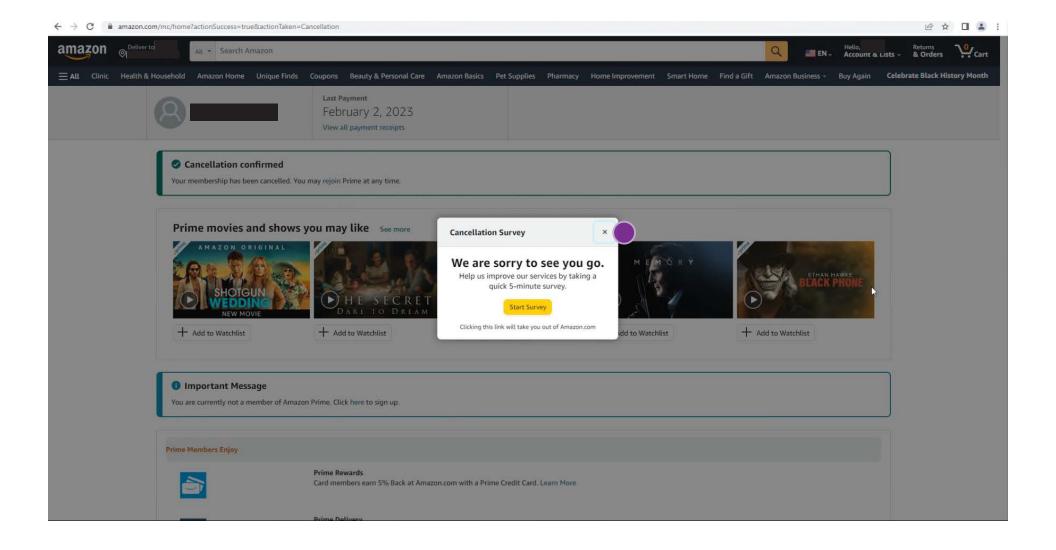


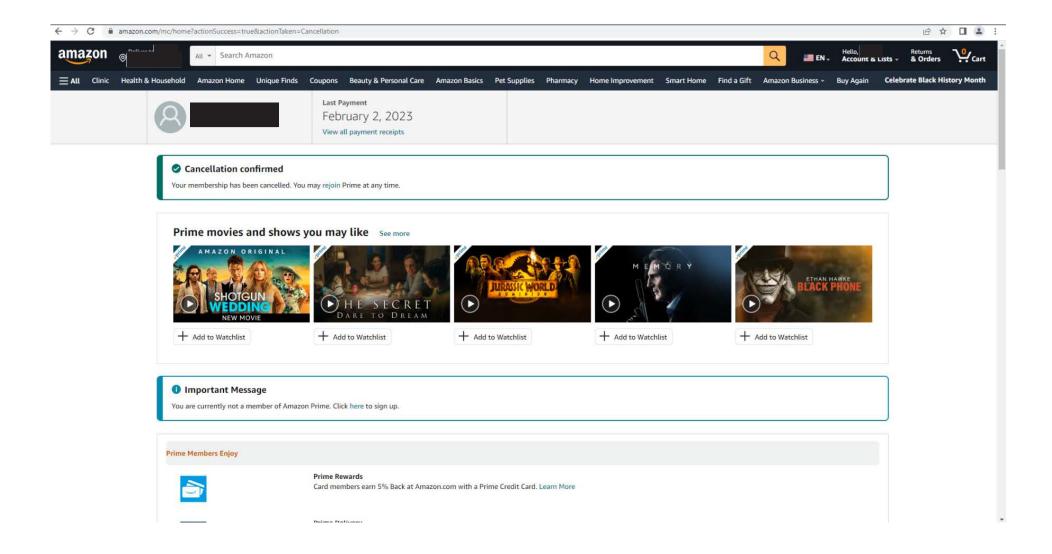






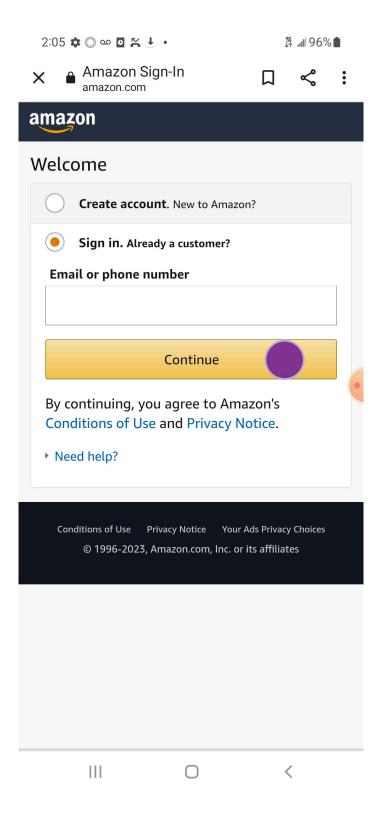


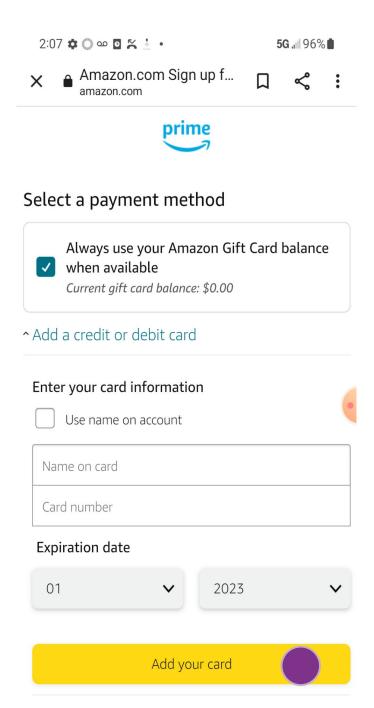


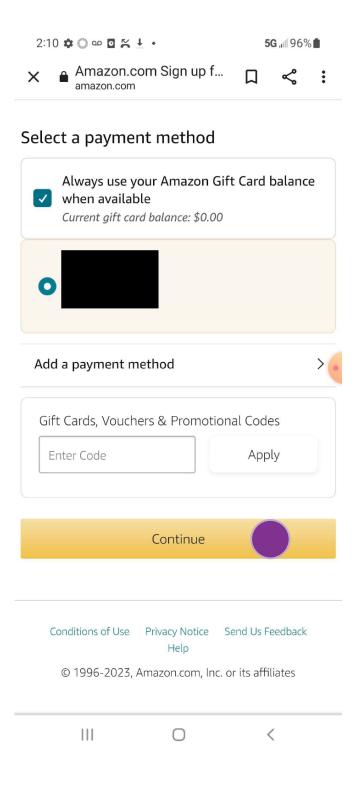


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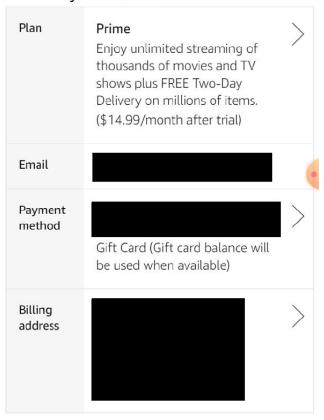




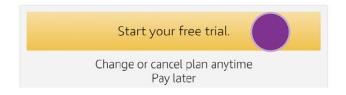


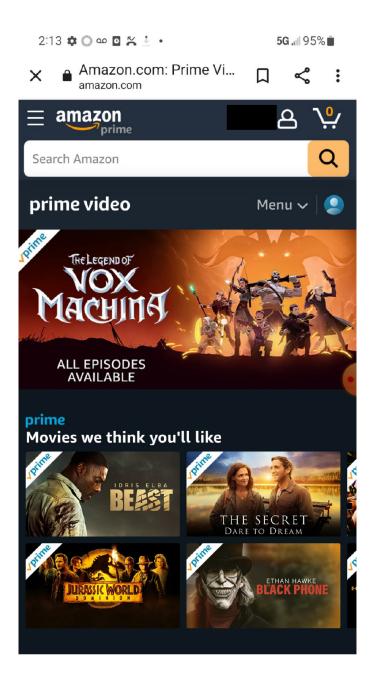


Confirm your details

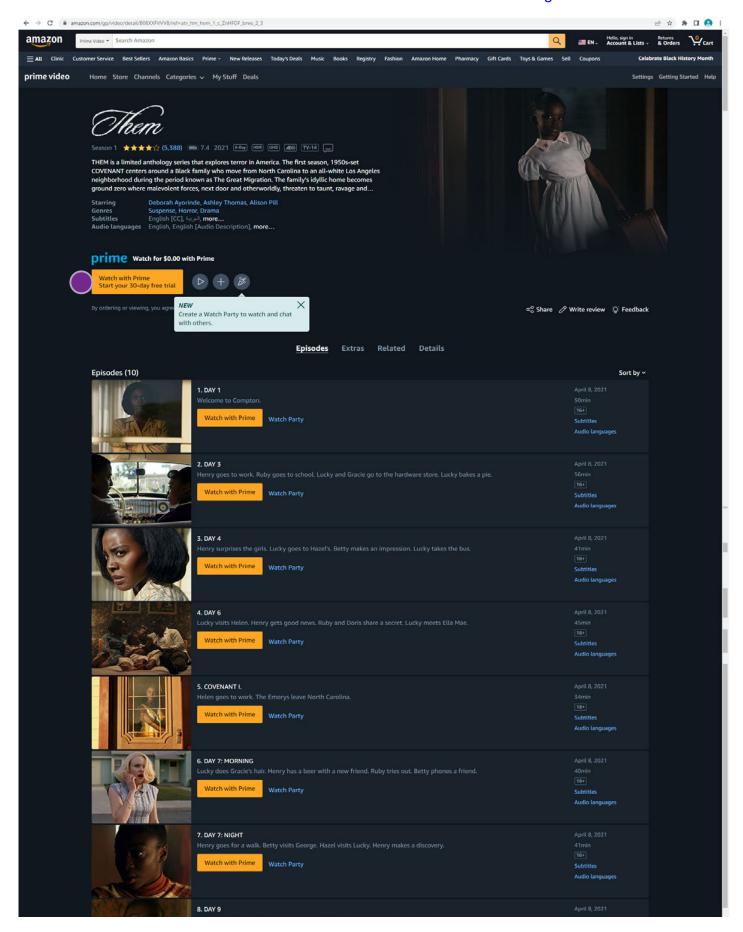


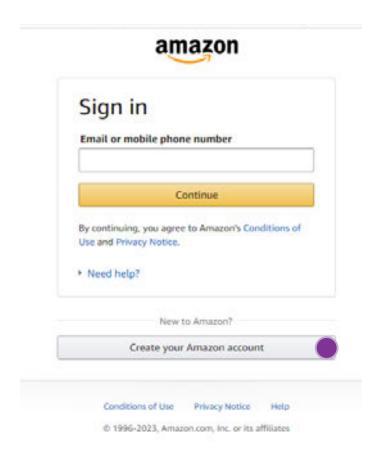
By signing up, you acknowledge that you have read and agree to the Amazon Prime Terms and Conditions and authorize us to charge your preferred card or another available credit card on file after your 30-day free trial. Your Prime membership continues until cancelled. If you don't want to continue for \$14.99/month plus any applicable taxes, you may cancel anytime by visiting Your Account and adjusting your membership settings.

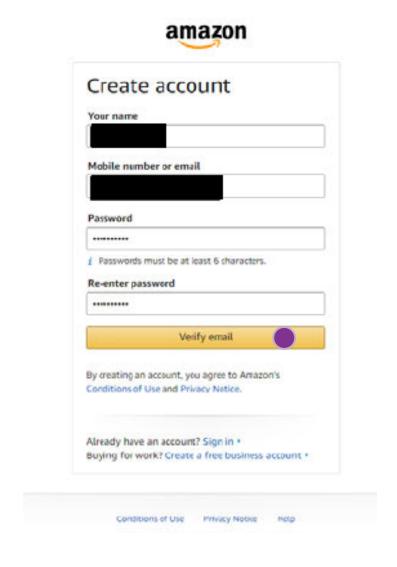


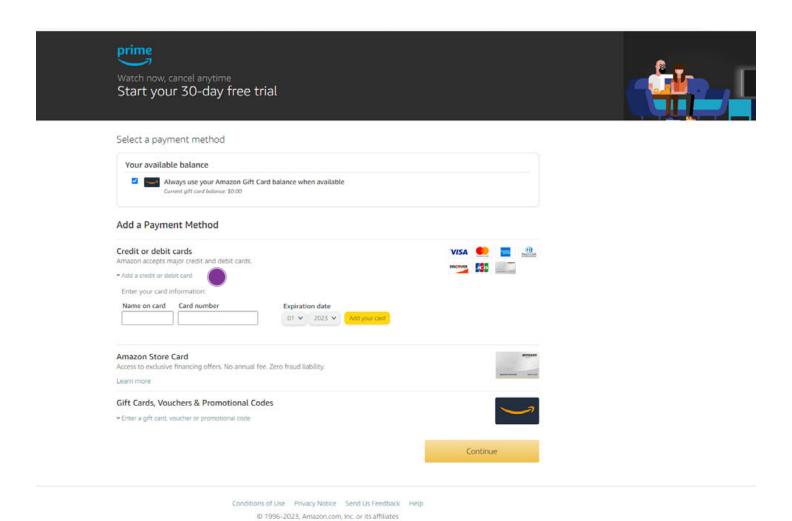


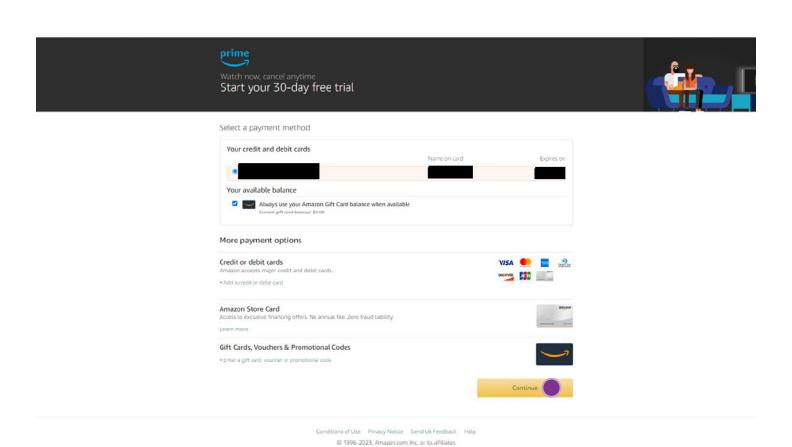
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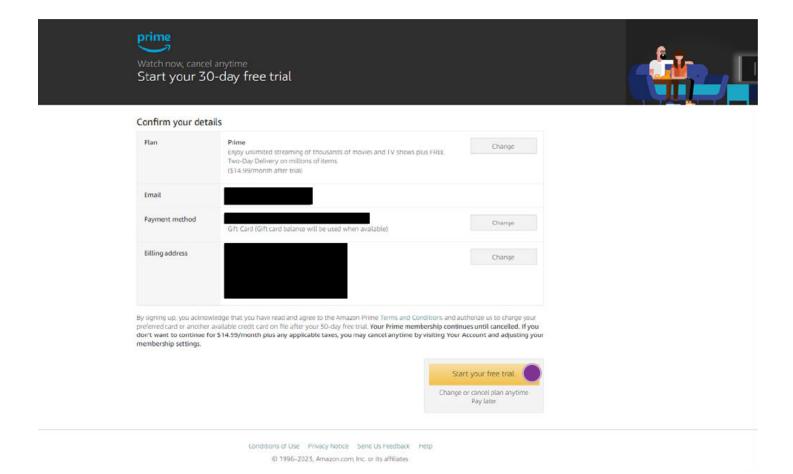


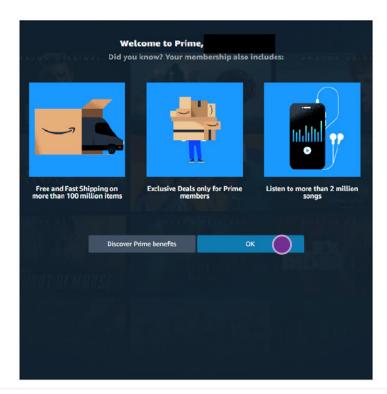












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