



August 10, 2011

*Via Electronic Filing*

Hon. Donald S. Clark  
Federal Trade Commission  
Office of the Secretary, Room H-113 (Annex I)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

**RE: P114506—Comments of Network Solutions on the Federal Trade Commission’s Dot Com Disclosures Business Guidance Publication**

Dear Secretary Clark:

Network Solutions, a leading provider of Internet-based services for small businesses, submits these comments in response to the Federal Trade Commission’s (“FTC” or the “Commission”) invitation for input on its Dot Com Disclosures business guidance on online advertising (the “Dot Com Disclosures”).<sup>1</sup> The Dot Com Disclosures in its current form continues to have relevance to consumers, and serves as an appropriate guide for businesses advertising their products and services online. Despite the dramatic changes experienced online since the Dot Com Disclosures were originally issued in 2000, the Dot Com Disclosures’ principles are still apt for today’s marketplace. Network Solutions believes the Commission should retain the guidance and framework in the current form.

**I. The Dot Com Disclosures provide appropriate guidance for businesses engaged in online advertising**

Network Solutions supports the underlying purpose of the Dot Com Disclosures and believes this guidance is still relevant in today’s marketplace. The Dot Com Disclosures indicates clearly that “the same consumer protection laws that apply to commercial activities in other media apply online.”<sup>2</sup> This is as true today as it was in 2000, and the Commission’s underlying principles set forth in the Dot Com Disclosures remains an appropriate standard for online advertising.

The Dot Com Disclosures sets forth advertising standards and provides practical examples of how advertising law applies to online advertising. In particular, the Dot Com Disclosures provide that as in the offline world: (1) online advertising must be truthful and not misleading; (2) online advertisers must be able to substantiate both express and implied claims

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<sup>1</sup> *FTC Staff Invites Comments Regarding “Dot Com Disclosure” Business Guidance Publication*, (May 2011) available at <http://www.ftc.gov/os/2011/05/110526dotcomecomments.pdf>.

<sup>2</sup> *Federal Trade Commission’s Dot Com Disclosures: Information About Online Advertising*, at 1 (2000), available at <http://business.ftc.gov/documents/bus41-dot-com-disclosures-information-about-online-advertising.pdf>.

made; and (3) online advertisements cannot be unfair.<sup>3</sup> In addition, the Dot Com Disclosures provide recommendations for online disclosures that have become commonplace in today's marketplace. For example, it is common practice to display disclosures before a consumer makes a purchase or incurs a financial obligation.<sup>4</sup> In addition, as promoted in the Dot Com Disclosures, it is industry practice to make disclosures that are integral to a claim next to the claim and to provide additional information through hyperlinks.<sup>5</sup>

The guidance contained in the Dot Com Disclosures has shaped e-commerce and encouraged the implementation of consumer friendly safeguards. The Commission should retain the existing framework of the Dot Com Disclosures and not seek to expand it beyond its current scope.

## **II. The Dot Com Disclosures' framework and scope remain appropriate**

The Internet has experienced explosive growth and continues to expand. This growth is fueled by online innovation and the emergence of new business models that deliver products and services that consumers desire. Much of this vibrant e-commerce marketplace is due to online entrepreneurs like Network Solutions' small business customers. This has all been possible through robust market competition and a general approach of avoiding broad, prescriptive, or inflexible regulation that might stifle Internet activity.

The existing framework of the Dot Com Disclosures has permitted small businesses to flourish and compete in the marketplace because its guidance is not overly prescriptive. The Internet and technology continue to evolve, and new channels and online tools continue to emerge. Even with the best intentions, any new regulations or standards could chill innovation or slow the introduction of new technologies.

The Dot Com Disclosures should remain focused on promoting truthful, substantiated, and fair advertising<sup>6</sup> while not overly prescribing the form or content of disclosures. The Commission appropriately designed the Dot Com Disclosures' framework to be flexible, adaptable by industry, and technology neutral. This approach has kept the Commission's guidance relevant, and has not served as an obstacle to innovation or growth.

## **III. Industry self-regulation is the appropriate means for addressing changes in marketplace**

Industry self-regulation has built upon the guidance provided in the Dot Com Disclosures in a way that reflects changes in the marketplace and consumer expectations. Self-regulation is flexible and can evolve quickly to adapt to emerging online developments. It is this attribute of self-regulation that makes it the appropriate approach to address changes in the online landscape. The Dot Com Disclosures should continue to serve as a baseline upon which industry best

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<sup>3</sup> *Id.* at 4.

<sup>4</sup> *Id.* at 11.

<sup>5</sup> *Id.* at 7.

<sup>6</sup> *Id.* at 4.



practices are built. The Commission should continue to rely on industry practice to address the evolving online marketplace instead of establishing rigid guidelines that would undoubtedly become outdated over the next decade.

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Thank you for considering our comments. We look forward to working with the Commission in considering these important issues. Please contact me at 703-668-5515 or at [shammock@networksolutions.com](mailto:shammock@networksolutions.com) with any questions.

Sincerely,

A. Statton Hammock, Jr.  
Sr. Director, Law & Policy

CC: Stu Ingis, Venable LLP  
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