

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Deborah Platt Majoras, Chairman
Pamela Jones Harbour
Jon Leibowitz
William E. Kovacic
J. Thomas Rosch**

<p style="text-align: center;">In the Matter of</p> <p>TAKE-TWO INTERACTIVE SOFTWARE, INC.,</p> <p style="text-align: center;">and</p> <p>ROCKSTAR GAMES, INC., corporations.</p>	<p>)</p>	<p>Docket No. C-4162</p>
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DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge the respondents with violation of the Federal Trade Commission Act; and

The respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft complaint, a statement that the signing of the agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, or that any of the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Take-Two Interactive Software, Inc. is a Delaware corporation with its principal office or place of business at 622 Broadway, New York, New York 10012.
2. Respondent Rockstar Games, Inc. is a wholly owned subsidiary of Take-Two, with its principal office or place of business at 622 Broadway, New York, New York 10012.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. “Commerce” means as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44;
2. “FTC” or “Commission” means the Federal Trade Commission.
3. “Respondents” means Take-Two Interactive Software, Inc., its successors and assigns, and its officers, agents, representatives, and employees, and Rockstar Games, Inc., its successors and assigns, and its officers, agents, representatives, and employees.
4. The terms “Interactive electronic game,” “electronic game,” or “game” means any creative product consisting of data, programs, routines, instructions, applications, symbolic languages, or similar electronic information (collectively, “software”) that controls the operation of a computer and enables a user to interact with a computer-controlled virtual universe for entertainment purposes. The terms include electronic games distributed via a cartridge, disc, or other tangible information storage device, as well as such electronic games that are distributed electronically, such as through an online connection, electronic mail, or a wireless communication device. The terms do not include any electronic games whose software has been altered or modified by consumers or other third parties.
5. “Rating” or “rated” refers to a system, such as the system used by the Entertainment Software Rating Board, of classifying interactive electronic games based on criteria for age appropriateness, content, or both.
6. “Content descriptor” refers to a system used by the Entertainment Software Rating Board to designate words or short phrases that describe content (such as violence, blood and gore, strong sexual content) contained in an interactive electronic game.
7. “Content” refers to any software that is both: a) contained in an electronic game; and b) capable of rendering, depicting, displaying, or activating scenes, images, words, or

sounds. Any such software constitutes content under this definition regardless of whether respondents have disabled it for game play or intend it to be accessed during game play.

8. “Rating authority” means the Entertainment Software Rating Board or any other game rating organization to which respondents submit a game to be sold in the United States.
9. “Content relevant to the rating” means content that likely would affect or change the rating or content descriptors for a game if that content were reviewed by a rating authority.
10. “Clearly and prominently” shall mean as follows:
 - A. In an advertisement communicated through an electronic medium (such as television, video, radio, and interactive media such as the Internet and online services), the disclosure shall be presented simultaneously in both the audio and visual portions of the advertisement. Provided, however, that in any advertisement presented solely through visual or audio means, the disclosure may be made through the same means in which the advertisement is presented. The audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The visual disclosure shall be of a size and shade, and shall appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it. In addition to the foregoing, in interactive media, the disclosure shall also be unavoidable and shall be presented prior to the consumer installing or downloading any software code, program, or content and prior to the consumer incurring any financial obligation.
 - B. In a print advertisement, promotional material, or instructional manual, the disclosure shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears. In multipage documents, the disclosure shall appear on the cover or first page.

The disclosure shall be in understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the disclosure shall be used in any advertisement.

I.

IT IS ORDERED that respondents, directly or through any corporation, subsidiary, division, or other device, in connection with the manufacturing, advertising, promotion, offering for sale, sale, or distribution of *Grand Theft Auto: San Andreas* or any other interactive electronic game, in or affecting commerce, shall:

- A. disclose, clearly and prominently, on product packaging and in any promotion or advertisement for an electronic game, content relevant to the rating, unless that content has been disclosed sufficiently in prior submissions to the rating authority;
- B. not misrepresent, expressly or by implication, the rating or content descriptors for an electronic game; and
- C. establish and implement, and thereafter maintain, a comprehensive system reasonably designed to ensure that all content in an electronic game is considered and reviewed by respondents in preparing submissions to a rating authority.

Provided, however, nothing herein shall constitute a waiver of respondents' right to assert that any of their conduct is or was protected by the First Amendment to the United States Constitution or any analogous provision of a State constitution, except that respondents nonetheless acknowledge their obligations to comply with this order.

II.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying all advertisements and promotional materials for each interactive electronic game developed or produced by respondents, including videotape or DVD recordings of any broadcast advertisement and an audiotape or CD of any radio advertisement.

III.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall deliver a copy of this order to all current, and for ten (10) years to all future directors, officers who exercise policymaking functions, developmental studio heads, and to those personnel having supervisory responsibilities with respect to Parts I-V of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondents shall deliver this order to such current personnel within thirty (30) days after the date of service of this order, and to such future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall notify the Commission at least thirty (30) days prior to any proposed change in their respective corporate structures that likely will affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary,

parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondents learn less than thirty (30) days prior to the date such action is to take place, respondents shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by the Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, D.C. 20580.

V.

IT IS FURTHER ORDERED that respondents, and their successors and assigns, shall within sixty (60) days from the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

VI.

This order will terminate on July 17, 2026, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- a. Any Part in this order that terminates in less than twenty (20) years;
- b. This order's application to any respondent that is not named as a defendant in such complaint; and
- c. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided further, that if such complaint is dismissed or a federal court rules that the respondents did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

Donald S. Clark
Secretary

SEAL:
ISSUED: July 17, 2006