News & Insights

Asp, Warr Further Examine FTC's Proposed "Click to Cancel" Rule in Missouri Lawyers Media Article

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Stinson LLP's Nicci Warr and Emily Asp authored an article for Missouri Lawyers Media, "Preparing for the FTC's 'Click to Cancel' Rule." The article is a continued discussion of the Federal Trade Commission's (FTC) proposed extension to the 1973 Prenotification Negative Option Rule.

The attorneys provide an overview of the current regulatory landscape and detail recent FTC actions resulting in the proposed "Click to Cancel" Rule.

"The FTC has explained that it views negative-option marketing as primarily falling into four categories: prenotification plans, continuity plans, automatic renewals, and free trial conversions. While the current Prenotification Rule applies only to prenotification plans, the new proposed rule would apply to all four categories," the attorneys write. "Perhaps most importantly, the rule would require canceling a negative option program to be as easy as signing up. And the cancelation method must be available through the same means as signing up. If a company offers 'one-click' membership through its website, it must also offer 'one-click' cancelation through the website."

They also provide guidance on how companies should prepare, writing, "Although the new proposed rule may change before it is finalized, companies should begin examining their practices to ensure they understand what may need to change to comply with the final rule. Having an understanding ahead of the final rule of how a compliant cancelation process can be implemented will be essential."

The FTC is taking comments on the proposed rule through June 23, 2023.

Asp has significant experience in all phases of litigation, including discovery and motions practice in state and federal court. She brings a collaborative and forward-thinking approach to each matter while keeping client service top of mind.

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Warr's experience working on complex litigation and counseling matters spanning antitrust, consumer protection laws and intellectual property issues gives her a unique perspective that helps her find effective and efficient solutions for her clients. Much of Warr's work focuses on new and emerging technologies and matters involving the intersection of intellectual property and antitrust law.

Sign in to Missouri Lawyers Media to read the full article.

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