



TL;DR

Key Developments and Trends in Internet Law

August 13, 2020

Paven Malhotra (pmalhotra@keker.com)

Matan Shacham (mshacham@keker.com)

Presenters



Paven Malhotra
Partner
Keker, Van Nest & Peters
pmalhotra@keker.com



Matan Shacham
Partner
Keker, Van Nest & Peters
mshacham@keker.com

Topics

- I. Platform Content & the CDA
- II. Data Scraping
- III. Personal Jurisdiction
- IV. Online Contract Formation

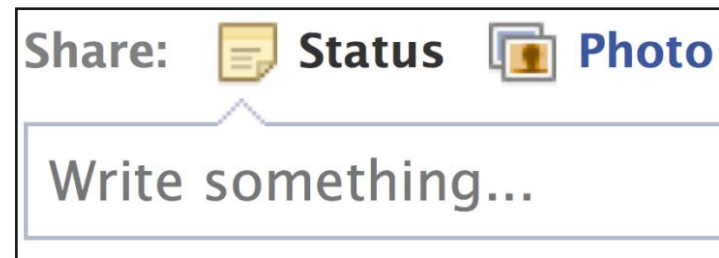
Topics

- I. Platform Content & the CDA
- II. Data Scraping
- III. Personal Jurisdiction
- IV. Online Contract Formation

Litigation Risks

What Content Issues Are Companies Being Sued Over?

- Taking down or not taking down content
- Personal/political/offensive content
- Business pages
- Online marketplaces
- Ads
- Reviews
- Comments



Litigation Risks

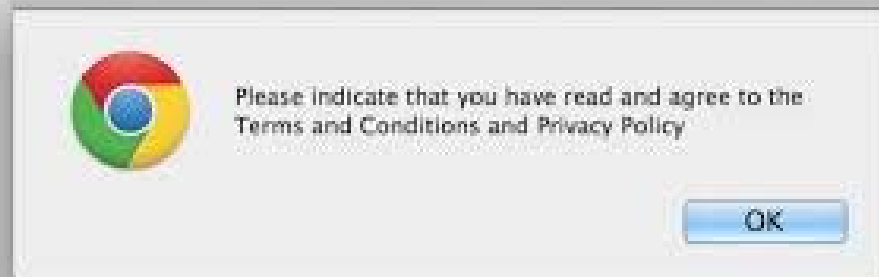
Legal Hooks for Content Lawsuits

- Tort
 - Defamation, libel, slander, false light, etc.
 - Intentional torts—e.g., IIED
 - Negligence—e.g., NIED, failure to have proper safeguards
- Contract—terms of use
- Statutory—e.g., UCL
- Constitutional—federal and state

Reducing Risk

Terms of Use

- Waiver of claims
- Damages limitation
- Discretion re content
- Need to be enforceable



Reducing Risk

Constitutional Defenses

- First Amendment rights
- Anti-SLAPP
- State actor limitations
 - Federal
 - State—*Pruneyard* issue

Tort Defenses

- Lack of duty—especially as to third-party conduct

Reducing Risk

The Communications Decency Act, 47 U.S.C. § 230

(c) Protection for “Good Samaritan” blocking and screening of offensive material

(1) Treatment of publisher or speaker

No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.

(2) Civil liability

No provider or user of an interactive computer service shall be held liable on account of—

(A) any action voluntarily taken in good faith to restrict access to or availability of material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected

Reducing Risk

Section 230(c)(1)—Publisher Treatment

By its plain language, § 230 creates a federal immunity to any cause of action that would make service providers liable for information originating with a third-party user of the service. Specifically, § 230 precludes courts from entertaining claims that would place a computer service provider in a publisher's role. **Thus, lawsuits seeking to hold a service provider liable for its exercise of a publisher's traditional editorial functions—such as deciding whether to publish, withdraw, postpone or alter content—are barred.**

Zeran v. Am. Online, Inc., 129 F.3d 327, 330 (4th Cir. 1997)

Recent Developments



Donald J. Trump ✓
@realDonaldTrump

There is NO WAY (ZERO!) that Mail-In Ballots will be anything less than substantially fraudulent. Mail boxes will be robbed, ballots will be forged & even illegally printed out & fraudulently signed. The Governor of California is sending Ballots to millions of people, anyone.....



[Get the facts about mail-in ballots](#)

Recent Developments

- Executive Order 13925, “Preventing Online Censorship” (May 28, 2020)
 - “[T]he policy of the United States” is to “ensure that” the CDA “is not distorted to provide liability protection for online platforms that ... stifle viewpoints with which they disagree.”
 - A service provider’s actions are not “taken in good faith” under Section 230(c)(2), if those actions are either: (a) “deceptive, pretextual, or inconsistent with” the provider’s terms of service; or (b) “taken after failing to provide adequate notice, reasoned explanation, or a meaningful opportunity to be heard.”
 - If a service provider “restricts access to content” in a way that is not protected by Section 230(c)(2), it “may also not be able to claim protection under” Section 230(c)(1)
 - Orders: 1) federal departments must ensure application of CDA properly reflects policy; 2) review by Attorney General; 3) proposed rulemaking by FCC, NTIA; 4) limiting federal spending on offending platforms; 5) FTC review of “deceptive acts”

Recent Developments

- Challenges to EO
- DOJ review and proposal (June 2020)
 - “Good faith” limited to decisions in accordance with plain and particular terms of service, accompanied by a reasonable explanation, and within (c)(2) categories—no “censoring”
 - “[R]emoval or restriction of content outside of (c)(2)(A) is not entitled to Section 230 immunity—under either (c)(1) or (c)(2)—even if consistent with . . . terms of service”
- NTIA petition to FCC for rulemaking (July 2020)
 - Asks for rule codifying proposed re-write, as well as mandating disclosures
- Legislation
 - CDA reform proposals in Congress

Recent Developments

- Court-imposed limitations
 - Online marketplaces
 - Oberdorf v. Amazon (3d Cir. 2019)
 - Negligence/strict liability claims relying on Amazon's role as an actor in the sale process not barred by CDA (but claims based on failure to warn re products are)
 - HomeAway v. Santa Monica (9th Cir. 2019)
 - 230(c)(1) does not apply to claim under local ordinance requiring home rental sites to monitor listings for compliance
 - Blocking software
 - Enigma v. Malwarebytes (9th Cir. 2019)
 - 230(c)(2) does not apply where there is allegation that decision was done out of anti-competitive malice, even if other good faith reasons apply

Topics

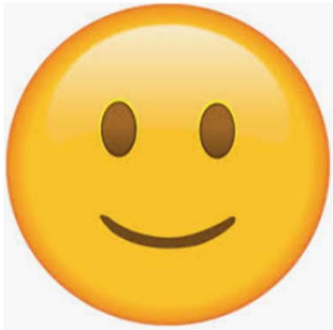
- I. Platform Content & the CDA
- II. Data Scraping**
- III. Personal Jurisdiction
- IV. Online Contract Formation

Data Scraping

What is scraping?

- Extracting large amounts of information from a website and copying it in a structured format.
- Extraction done by using automated software applications called web robots or “bots”

Data Scraping



- Search engines
- Site availability

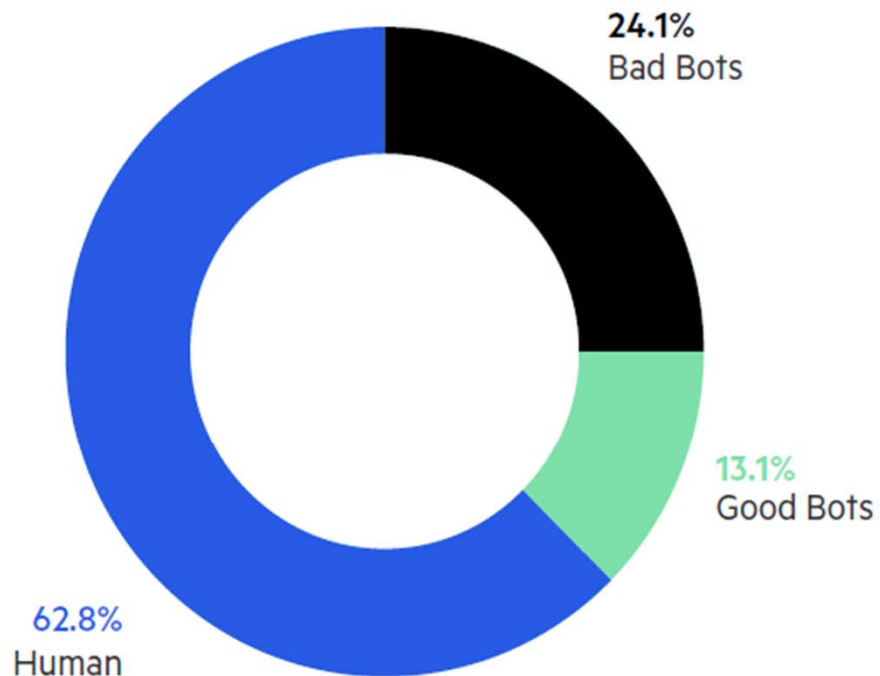


- Price scraping
- Content scraping



- Account takeover
- Account creation
- Denial of inventory

Bad Bot v Good Bot v Human Traffic 2019



Bad Bots Amount all Website Traffic in 2019 **24.1%**
Percentage change in bad bot traffic from previous year **▲ 18.1%**

Good Bots Traffic Percentage in 2019 **13.1%**
Percentage change in good traffic from previous year **▼ 25.1%**

Human Website Traffic Percentage in 2019 **62.8%**
Percentage change in human traffic from previous year **▲ 1.1%**

Data Scraping—Claims to Assert Against Scrapers

- Computer Fraud and Abuse Act
- Breach of Contract
- Trespass to Chattel
- Copyright
- State Anti-Hacking Laws

Data Scraping



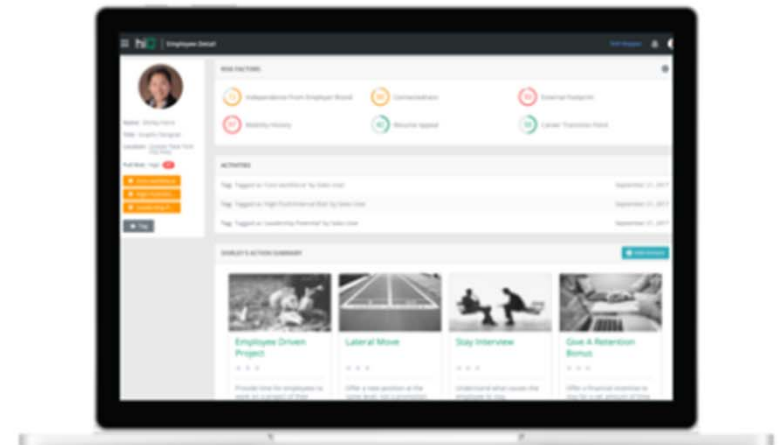
v.



Keeper

Keeper is the first HCM tool to offer predictive attrition insights about an organization's employees based on publicly available data. The solution turns those attrition insights into consumable, easy-to-deploy action plans so HR and business leaders can retain their key talent.

By identifying risk early, addressing potential issues proactively, and deploying remedial actions quickly, Keeper drives immediate business impact across organizations - and provides a built-in feedback loop so you can communicate your retention win to management.



Click photo to enlarge

Data Scraping

Oct 2015: LinkedIn representatives become aware of HiQ's product



2017: LinkedIn seeks to develop a competing product



Abhishek Bajoria
Senior Litigation Counsel
LinkedIn Corporation
1000 W. Maude Avenue
Sunnyvale, CA 94085
abajoria@linkedin.com

May 23, 2017

Via Email to sales@hiqlabs.com

Mark Weidick
hiQ Labs, Inc.
575 Market Street, #850
San Francisco, CA 94105

RE: Demand to Immediately Cease and Desist Unauthorized Data Scraping and other Violations of LinkedIn's User Agreement

Mr. Weidick:

I write on behalf of LinkedIn Corporation ("LinkedIn"). It has come to LinkedIn's attention that hiQ Labs, Inc. ("hiQ") has used and is using processes to improperly, and without authorization, access and copy data from LinkedIn's website, www.linkedin.com. This is not acceptable.

hiQ's software offered at www.hiqlabs.com is impermissibly and illegally accessing and scraping data from LinkedIn. Indeed, hiQ's website explains how its product improperly incorporates skills data from LinkedIn's website:

- Explore the skills that your employees are self-curating on the web and augment/update your company's database of employee competencies.
- Because Skill Mapper is based on publicly available data, you can explore the full scope of your workforce's skills, including skills from previous and current roles.

1 C. Brandon Wisoff (State Bar No. 121930)
bwisoff@fbm.com
2 Deepak Gupta (State Bar No. 226991)
dgupta@fbm.com
3 Rebecca H. Stephens (State Bar No. 299234)
rstephens@fbm.com
4 Jeffrey G. Lau (State Bar No. 281629)
jlau@fbm.com
5 Farella Braun + Martel LLP
235 Montgomery Street, 17th Floor
6 San Francisco, California 94104
Telephone: (415) 954-4400
7 Facsimile: (415) 954-4480

8 Laurence H. Tribe* (State Bar No. 39441)
Carl M. Loeb University Professor and
9 Professor of Constitutional Law
Harvard Law School
10 1575 Massachusetts Avenue
Cambridge, Massachusetts 02138
11 Telephone: (617) 495-1767
Pro hac vice pending

12 Attorneys for Plaintiff hiQ Labs, Inc.

14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA

16 hiQ Labs, Inc.,

17 Plaintiff,

18 vs.

19 LinkedIn Corp.,

20 Defendant.

Case No.

**COMPLAINT FOR DECLARATORY
JUDGMENT UNDER 22 U.S.C. § 2201
THAT PLAINTIFF HAS NOT
VIOLATED: (1) THE COMPUTER
FRAUD AND ABUSE ACT (18 U.S.C. §
1030); (2) THE DIGITAL MILLENNIUM
COPYRIGHT ACT (17 U.S.C. §1201);(3)
COMMON LAW TRESPASS TO
CHATTELS; OR (4) CAL. PENAL CODE
§ 502(c);**

**INJUNCTIVE RELIEF TO ENJOIN: (1)
INTENTIONAL INTERFERENCE WITH
CONTRACT AND PROSPECTIVE
ECONOMIC ADVANTAGE; (2) UNFAIR
COMPETITION (CAL. BUS. & PROF.
CODE § 17200); (3) PROMISSORY
ESTOPPEL; AND (4) VIOLATION OF
CALIFORNIA FREE SPEECH LAW;
AND RELATED MONETARY RELIEF**

Data Scraping

HiQ's affirmative case

- **Intentional interference with contract**
 - Ninth Circuit questioned LinkedIn's "legitimate business purpose" defense
 - LinkedIn's desire to create a competing product could be insufficient
 - LinkedIn's means of blocking—imposing technical limits on access—was not a recognized trade practice
- **Unfair competition (UCL 17200)**
 - Not ruled upon but Ninth Circuit suggests that selectively banning competitors may be an unfair business practice

Data Scraping

LinkedIn's Defense on Appeal: Computer Fraud & Abuse Act Preemption

- Serious questions about whether CFAA's "without authorization" prohibition applies to data/information that is public
- The prohibition would still apply to data/information that required authorization and such authorization was not provided (Nosal II) or was rescinded (Power Ventures)

Data Scraping

Where does this leave us?

State Law

- Trespass to Chattel
- Misappropriation
- Unjust enrichment
- Breach of contract
- Breach of privacy

Federal Law

- CFAA—maybe but only if the data/information has access limitations in the first place
- Copyright infringement

Topics

- I. Platform Content & the CDA
- II. Data Scraping
- III. Personal Jurisdiction**
- IV. Online Contract Formation

Framework for Defense

Requirements

- Federal due process
 - General jurisdiction or
 - Specific jurisdiction
- State statute

Framework for Defense

General Jurisdiction

- Only when contacts are “so continuous and systematic as to render [foreign company] essentially at home in the forum state.”
- “Paradigm” of such contacts is 1) place of incorporation and 2) principal place of business.
- May be “exceptional case” where operations “so substantial in nature as to render the corporation at home”—but very limited so far.

BNSF Ry. Co. v. Tyrell, 137 S. Ct. 1549 (2017)

Framework for Defense

Specific Jurisdiction

“The inquiry whether a forum State may assert specific jurisdiction over a nonresident defendant focuses on the relationship among **the defendant, the forum, and the litigation**. For a State to exercise jurisdiction consistent with due process, **the defendant's suit-related conduct must create a substantial connection with the forum.**”

Walden v. Fiore, 571 U.S. 277 (2014)

Framework for Defense

Specific Jurisdiction

- *Zippo Mfg. Co. v. Zippo Dot Com*, 952 F. Supp. 1119 (W.D. Pa. 1997)
sliding scale between passive and active
- Person using website in the forum not enough
 - *E.g., be2 LLC v. Ivanov*, 642 F.3d 555 (7th Cir. 2011); *Young v. New Haven Advocate*, 315 F.3d 256 (4th Cir. 2002); *Ralls v. Facebook*, 221 F. Supp. 3d 1237 (W.D. Wash. 2016)
-

Recent Developments

- Can registering to do business subject you to general jurisdiction?
 - NY AB 7595 would allow NY state courts to exercise general jurisdiction over non-NY corporations that apply to do business in the state
 - *Knowlton v. Allied Van Lines* (8th Cir. 1990)
- Risk because developing area & technology
- Recent cases
 - *ShopStyle, Inc. v. rewardStyle, Inc.* (Tex. Ct. App. 2020)
 - *Facebook v. K.G.S.* (Ala. 2019)

Other Tools

Venue / Forum-Selection Clauses

- Can be included in terms of service
- Generally upheld
- Could consider requiring arbitration or small claims court

Topics

- I. Platform Content & the CDA
- II. Data Scraping
- III. Personal Jurisdiction
- IV. Online Contract Formation**

Why Does This Matter?

- Class Action Waivers
- Arbitration requirements
- Choice of Law
- Choice of Venue
- Damages Caps
- Liability Limitations
- Restrictions on User/Partner Activities

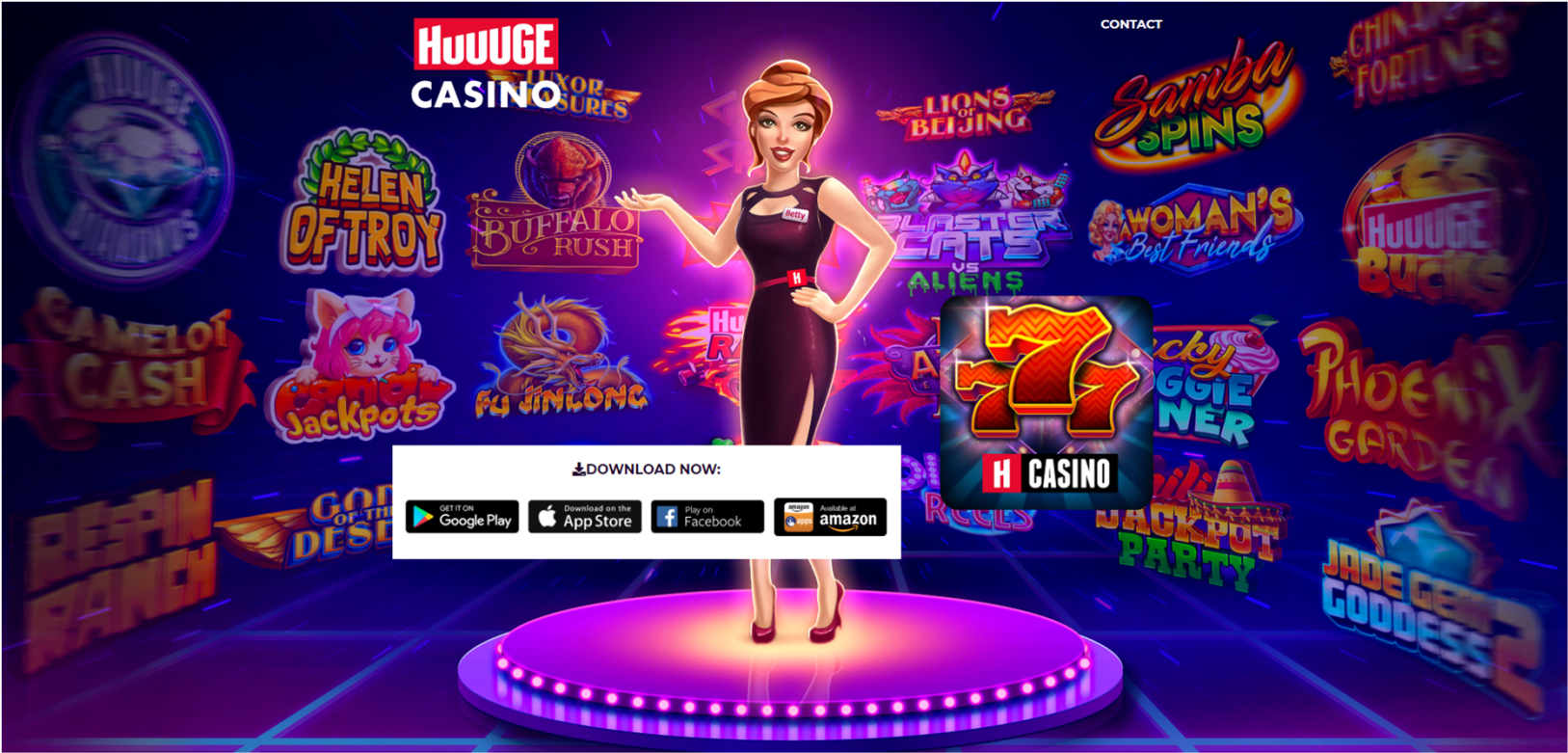
Formation

Guiding principles:

- Notice
 - Actual or Constructive
 - Conspicuous **notice** that user is entering into a contract
 - Conspicuous **notice** of the terms
- Assent
 - Manifestation of **assent**

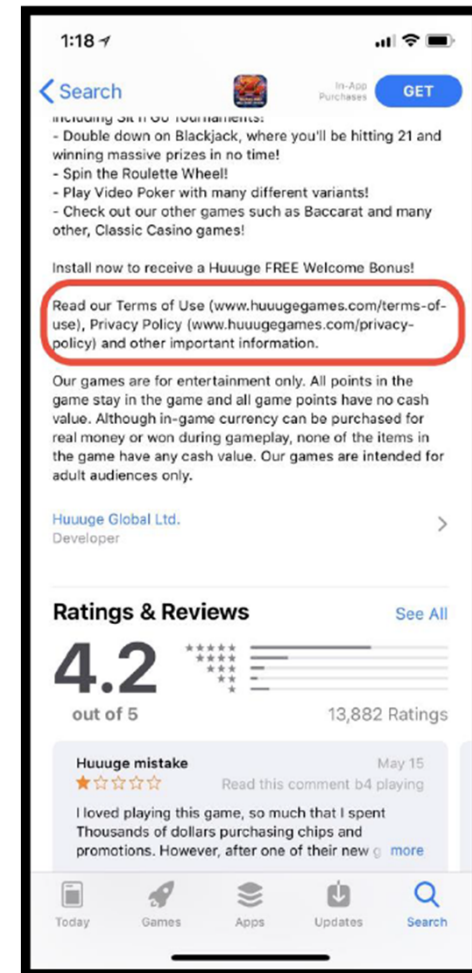
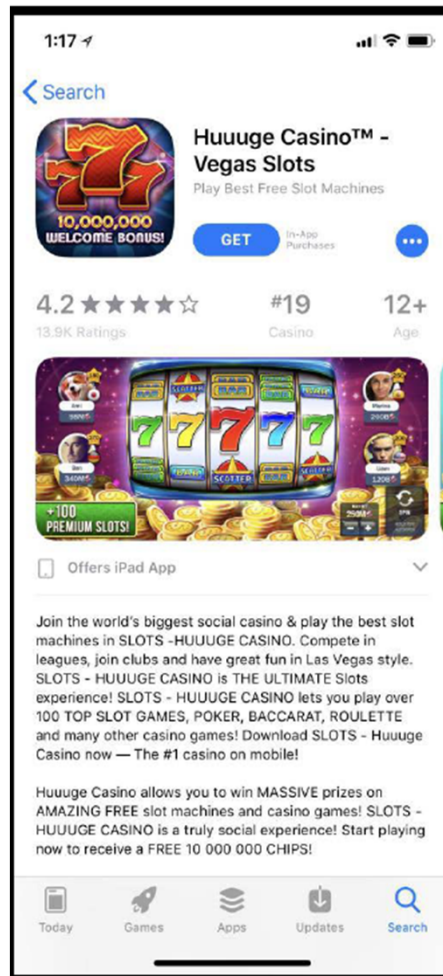
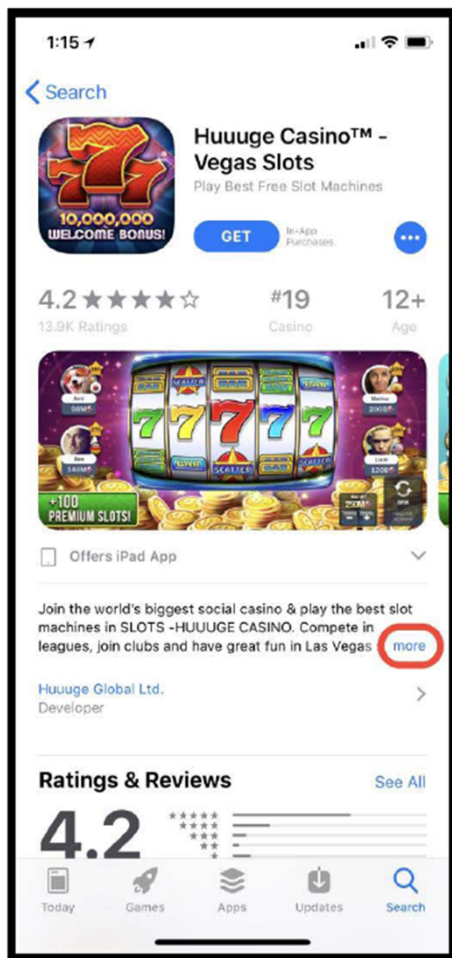
Recent Caselaw

Wilson v. Huuuge, Inc. (9th Cir. Dec. 20, 2019)



Wilson v. Huuuge, Inc. (9th Cir. Dec. 20, 2019)

Huuuge does not require users to affirmatively acknowledge or agree to the Terms before downloading or while using the app. Users can access Huuuge's Terms in two ways: 1) reading the Terms before downloading the app, although the user is not required to do so; or 2) viewing the Terms during game play, which is similarly not necessary to play the game. Either way, the user would need Sherlock Holmes's instincts to discover the Terms.



Wilson v. Huuuge, Inc. (9th Cir. Dec. 20, 2019)

“When downloading the app, ***the Terms are not just submerged—they are buried twenty thousand leagues under the sea.*** Nowhere in the opening profile page is there a reference to the Terms. To find a reference, a user would need to click on an ambiguous button to see the app's full profile page and scroll through multiple screen-lengths of similar-looking paragraphs. . . . ***This is the equivalent to admonishing a child to ‘please eat your peas’ only to then hide the peas.*** A reasonably prudent user cannot be expected to scrutinize the app's profile page with a fine-tooth comb for the Terms.”

Wilson v. Huuuge, Inc., 944 F.3d 1212, 1221 (9th Cir. 2019)

Contract Formation—Mobile Browser

Hidalgo v. Amateur Athletic Union (S.D.N.Y. June 16, 2020)

I volunteer services for the AAU.

I would like a copy of the consumer report(s) (also known as "Investigative Consumer Report" under California law) at no charge if obtained by the AAU.

☐ I have read and agree to the terms and conditions and authorize AAU to request the background screening.

Are you a member of a club?

☐ No, not at this time (can be updated later)

NOTE: Make sure you update this membership to associate it with a club if joining one later on.

☐ Yes

Terms and Conditions - Digital Signature

Membership in the AAU is a privilege granted by the AAU. It is not a right. The AAU at its sole discretion reserves the right to accept or reject any applicant for membership.

Membership in any category may be granted only after an application is submitted and approved. By submitting an application, the applicant agrees to abide by all the provisions of the AAU Code, including its constitution, bylaws, policies, procedures, regulations, and rules.

I accept all terms and conditions for this AAU membership application as listed out by the AAU code book (available here) and this application.

I hereby certify that all information I have provided is accurate, my name (below) is correct, and I am authorized to apply for membership for the person named below.

I understand that there are no refunds issued for cancellations or failure to pass background screening process.

☐ I understand and agree to all terms and conditions listed.

By entering my name below I hereby authorize AAU to perform a background screening for my adult membership, accept and acknowledge all terms and conditions presented to me during the application process.

By entering my name below I hereby authorize AAU to create the requested membership, accept and acknowledge all terms and conditions presented to me during the application process.

THIS MUST BE SIGNED BY THE PERSON APPLYING FOR MEMBERSHIP OR A PARENTALLY APPROVED REPRESENTATIVE FOR YOUTH APPLICANTS.

* First Name:

Middle Name:

* Last Name:

Terms and Conditions - Digital Signature

Membership in the AAU is a privilege granted by the AAU. It is not a right. The AAU at its sole discretion reserves the right to accept or reject any applicant(s) for membership.

Membership in any category may be granted only after an application is submitted and approved. By submitting an application, the applicant agrees to comply with all the provisions of the **AAU Code**, including its constitution, bylaws, policies, procedures, regulations, and rules.

* I accept all terms and conditions for this AAU membership application as laid out by the AAU code book ([available here](#)) and this application.

* I hereby certify that all information I have provided is accurate, my name (below) is correct, and I am authorized to apply for membership for the person in this application.

* I understand that there are no refunds issued for cancellations or failure to pass background screening process.

☐ * I understand and agree to all terms and conditions listed

By entering my name below I hereby authorize AAU to perform a background screening for my adult membership, accept and acknowledge all terms and conditions presented to me during the application process.

By entering my name below I hereby authorize AAU to create the requested membership, accept and acknowledge all terms and conditions presented to me during the application process.

NOTE: THIS MUST BE SIGNED BY THE PERSON APPLYING FOR MEMBERSHIP OR A PARENTALLY APPROVED REPRESENTATIVE FOR YOUTH APPLICANTS.

* First Name:

Middle Name:


* Last Name:

Cancel

Continue

9:14 ◀ Mail

LTE

 play.aasports.org

ACKNOWLEDGMENT, AUTHORIZATION & CONSENT

I acknowledge receipt of the DISCLOSURE OF INFORMATION AND CREDIT REPORTING ACT and certify that I have received all background screenings/reports by the AAU and that I hereby authorize, without reservation, any law enforcement agency (public or private), or information service bureau, to furnish me with any organization acting on behalf of the AAU, and that my signature, including my electronic signature, shall be as follows:

I acknowledge that my membership and the criminal background screenings/reports obtained from the AAU comply with state, and local laws. I hereby release, indemnify, defend, and hold harmless agents from any and all liability, claims, or damages arising from or obtained and/or used by the AAU in connection with my membership with and/or volunteer services to the AAU.

☒ I would like a copy of the consumer credit report obtained by the AAU

☒ * I have read and agree to the terms and conditions of the AAU



Are you a member of a club?


☒ No, not at this time (can be updated later)


NOTE: Make sure you are up to date on your dues!

☐ Yes

Terms and Conditions - E

9:14  

 Mail

 play.aausports.org

obtained by the AAU

☐ * I have read and agree to the terms and conditions

Are you a member of a club?

☒ No, not at this time (can be updated later)

NOTE: Make sure you update

☐ Yes

Terms and Conditions - Digital

Membership in the AAU is a privilege granted by the AAU to the applicant(s) for membership.

Membership in any category may be granted only after the applicant(s) comply with all the provisions of the **AAU Code, including**

- * I accept all terms and conditions for this AAU membership
- * I hereby certify that all information I have provided is accurate in this application.
- * I understand that there are no refunds issued for cancellations

☐ * I understand and agree to all terms and conditions

By entering my name below I hereby authorize the AAU to use my name and image for promotional purposes. I acknowledge all terms and conditions presented above.

By entering my name below I hereby authorize the AAU to use my name and image for promotional purposes. I acknowledge all terms and conditions presented above.

3:37

play.aausports.org

ditions - Digital Signature

a privilege granted by the AAU. It is not a right. The AAU at its sole discretion may grant this right to members of the AAU who are in good standing with the AAU. This right may be granted only after an application is submitted and approved by the AAU Code, including its constitution, bylaws, policies, and procedures. The AAU reserves the right to modify these conditions for this AAU membership application as laid out by the AAU. I hereby certify that the information I have provided is accurate, my name (below) is correct and I agree to the following conditions: no refunds issued for cancellations or failure to pass background check.

agree to all terms and conditions listed

I hereby authorize AAU to perform a background check and conditions presented to me during the application process.

I hereby authorize AAU to create the requested membership during the application process.

SIGNED BY THE PERSON APPLYING FOR MEMBERSHIP

TS.

Name:

Name:

Name:

3:37 LTE

play.aausports.org

the right to accept or reject any

application, the applicant agrees to
, and rules.

e here) and this application.

apply for membership for the person

membership, accept and

d acknowledge all terms and

APPROVED REPRESENTATIVE

9:15 LTE

Mail play.aausports.org

* I accept all terms and conditions for this AAU member

* I hereby certify that all information I have provided is
in this application.

* I understand that here are no refunds issued for cancell

☐ * I understand and agree to all terms and cor

By entering my name below I hereby authorize I
acknowledge all terms and conditions presente

By entering my name below I hereby authorize I
conditions presented to me during the applicati

**NOTE: THIS MUST BE SIGNED BY THE PERSON
FOR YOUTH APPLICANTS.**

* First Name:

Middle Name:

* Last Name:

Copyright 2020 Amateur Athletic Union of the United

Contract Formation—Mobile Browser

Hidalgo v. Amateur Athletic Union

Contract formation solid when performed on desktop browser

- But Plaintiff used the Safari browser on his iPhone
- Application not optimized for mobile devices
- User had to move the screen back and forth and zoom in and out

The screenshot displays a web form for AAU membership. The form includes sections for volunteer services, a disclaimer about consumer reports, a checkbox for agreeing to terms and conditions, a question about club membership, a note about updating membership, a digital signature section, and a section for entering the applicant's name. The form is designed for desktop use, with text and input fields that are not optimized for mobile viewing.

I volunteer services for the AAU.

I would like a copy of the consumer report(s) (also known as "Investigative Consumer Report" under California law) at no charge if obtained by the AAU.

☐ I have read and agree to the terms and conditions and authorize AAU to request the background screening.

you a member of a club?

No, not at this time (can be updated later)

NOTE: Make sure you update this membership to associate it with a club if joining one later on.

Yes

ms and Conditions - Digital Signature

membership in the AAU is a privilege granted by the AAU. It is not a right. The AAU at its sole discretion reserves the right to accept or reject any applicant(s) for membership.

Membership in any category may be granted only after an application is submitted and approved. By submitting an application, the applicant agrees to abide by all the provisions of the AAU Code, including its constitution, bylaws, policies, procedures, regulations, and rules.

I accept all terms and conditions for this AAU membership application as listed out by the AAU code book (available here) and this application.

I hereby certify that all information I have provided is accurate, my name (below) is correct, and I am authorized to apply for membership for the application.

I understand that there are no refunds issued for cancellations or failure to pass background screening process.

☐ I understand and agree to all terms and conditions listed.

Entering my name below I hereby authorize AAU to perform a background screening for my adult membership, accept and acknowledge all terms and conditions presented to me during the application process.

Entering my name below I hereby authorize AAU to create the requested membership, accept and acknowledge all terms and conditions presented to me during the application process.

THIS MUST BE SIGNED BY THE PERSON APPLYING FOR MEMBERSHIP OR A PARENTALLY APPROVED REPRESENTATIVE FOR YOUTH APPLICANTS.

* First Name:

Middle Name:

* Last Name:

Cancel Done

Contract Formation—Mobile Browser

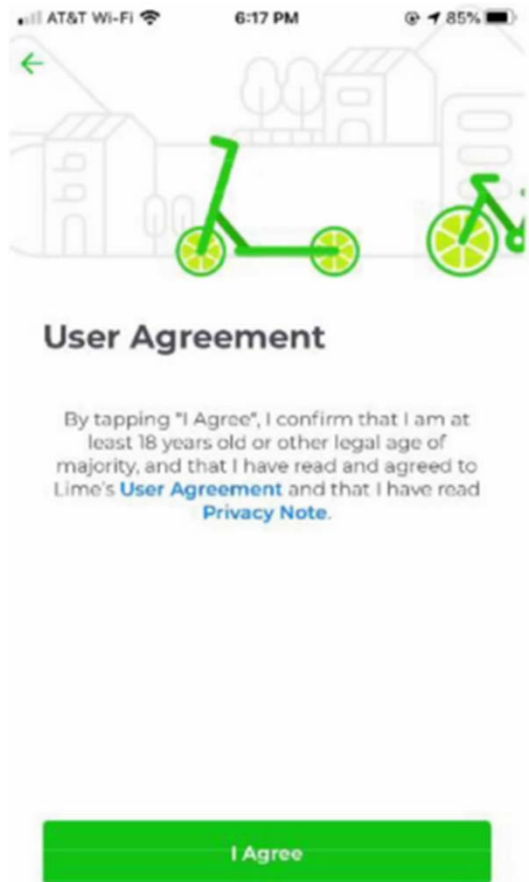
Hidalgo v. Amateur Athletic Union

Contract was Enforceable

- Plaintiff recalled the contract formation process
- Plaintiff had to click on a mandatory checkbox
- Lesson: Ensure contract formation process works on all interfaces!
- App on mobile device
- Browser on mobile device
- Desktop Website

The screenshot displays a portion of the AAU membership application form. It includes a checkbox for volunteering services, a section for requesting a consumer report, and a mandatory checkbox for agreeing to terms and conditions. Below this is a question about club membership with a 'No, not at this time' option. A note instructs users to update their membership when joining a club. The 'Yes' option is selected. The 'Terms and Conditions - Digital Signature' section contains several paragraphs of legal text regarding membership privileges, application review, and background screening. It includes a statement of understanding and agreement to all terms and conditions. At the bottom, there are fields for 'First Name', 'Middle Name', and 'Last Name', along with 'Cancel' and 'Continue' buttons.

Contract Formation—Mobile App



Babcock v. Neutron Holdings (S.D. Fla. April 13, 2020)

- User agreement enforceable and matter sent to arbitration
- Dedicated Screen
- “User Agreement” big and bold
- Hyperlinks to agreements in blue boldface
- Explanation that a contract is being entered into
- Requirement to press “I agree”

Contract Formation—Kiosk

Wilson v. Redbox (N.D. Ill. Mar. 25, 2020)

The screenshot displays the 'My bag' section of the Redbox website. It features a pink header with the text 'My bag'. Below the header, there is a list of items in the bag. The first item is 'Glass - DVD' with a 1-night rental price of \$1.75. A small 'X' icon is next to the item, indicating it can be removed. Below the item list, there is a 'Payment Summary' section showing a subtotal of \$1.75, a tax of \$0.12, and a total of \$1.87. At the bottom of the page, there are several buttons: 'Back', 'Add Movie', 'Pay Now', 'Sign In', 'Add Promos', and 'Terms & Privacy'. A disclaimer at the bottom right states: 'By pressing "Pay Now" you agree to the Terms.'

My bag

Glass - DVD
1-night rental | Extra night \$1.75 **\$1.75**

*Daily rental charges don't include applicable tax. Discs kept after 9 p.m. the next day, and each day after, are subject to additional daily rental charges. If you keep a disc for the maximum rental period, it's yours to keep, and no further charges apply. See complete Terms for the rules for renting from Redbox. All Digital Code sales are final.

Payment Summary

Subtotal	\$1.75
Tax	\$0.12
Total:	\$1.87

Pay Now

Don't miss your perks!

Sign In

Add Promos

Terms & Privacy

By pressing 'Pay Now' you agree to the Terms.

Back **Add Movie**

My bag



Glass - DVD
1-night rental | Extra night \$1.75

\$1.75



*Daily rental charges don't include applicable tax. Discs kept after 9 p.m. the next day, and each day after, are subject to additional daily rental charges. If you keep a disc for the maximum rental period, it's yours to keep, and no further charges apply. See complete Terms for the rules for renting from Redbox. All Digital Code sales are final.

Payment Summary

Subtotal	\$1.75
Tax	\$0.12
Total:	\$1.87

Pay Now

Don't miss your perks!

Sign In

Add Promos

Terms & Privacy

By pressing 'Pay Now' you agree to the Terms.

Back

Add Movie

Contract Formation—Kiosk

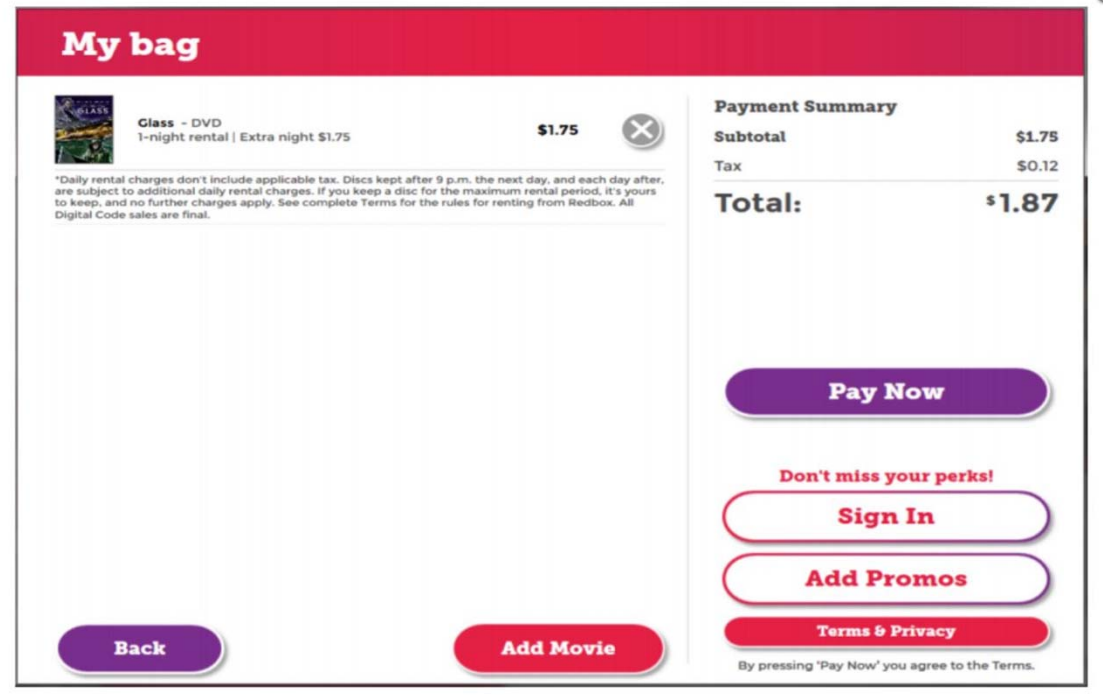
Wilson v. Redbox (N.D. Ill. Mar. 25, 2020)

No constructive notice

Call to Action button is distant from the Pay Now button

There are two intervening unrelated buttons.

“Don’t miss your perks” implies everything below it is not related to the registration.



Sign In

Email

Password

REMEMBER ME

Sign In

[FORGOT PASSWORD >](#)

f

Sign In With Facebook

G

Sign in with Google

Don't have an account?

[JOIN REDBOX PERKS >](#)

By signing in, you are agreeing to the [Rewards Terms](#), and [Redbox Terms of Use](#) and [Privacy Policy](#).
Payment card required to use rewards rental credit.

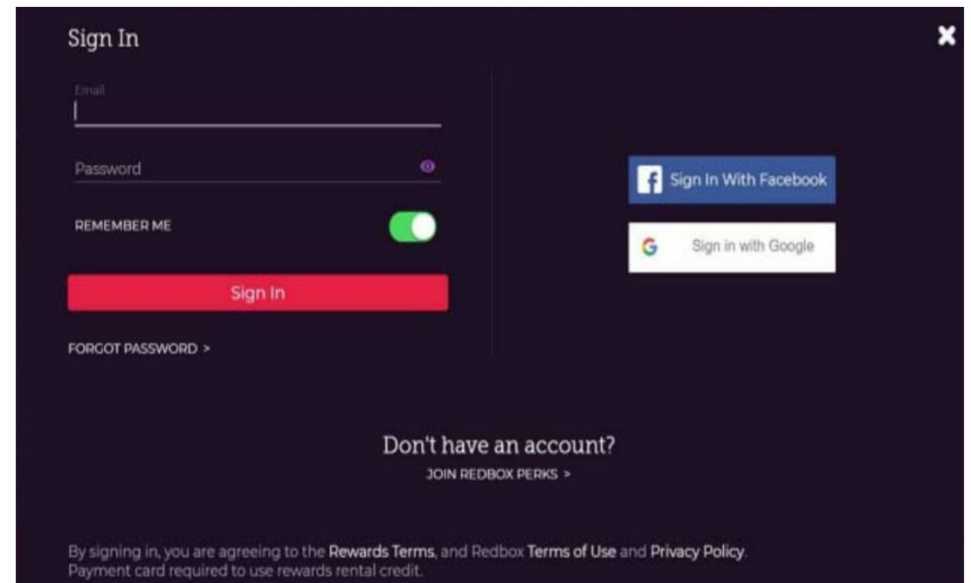
Contract Formation—Website

Wilson v. Redbox (N.D. Ill. Mar. 25, 2020)

No constructive notice

TOU hyperlink is not conspicuous

There are two intervening unrelated buttons.



The screenshot shows the Redbox website's sign-in interface. On the left, there is a 'Sign In' section with input fields for 'Email' and 'Password', a 'REMEMBER ME' toggle switch (which is turned on), a red 'Sign In' button, and a 'FORGOT PASSWORD >' link. On the right, there are two social login buttons: 'Sign In With Facebook' and 'Sign in with Google'. Below these, there is a link for 'Don't have an account? JOIN REDBOX PERKS >'. At the bottom, a small disclaimer states: 'By signing in, you are agreeing to the Rewards Terms, and Redbox Terms of Use and Privacy Policy. Payment card required to use rewards rental credit.'

Best Practices to Maximize Enforceability

Make It Conspicuous

Notice of existence of contract

- Standalone agreement strongest
- If hyperlinked, use blue, underlined text
- Large, conspicuous font
- No cluttered UI or submerged terms

Notice of terms

- Use headers (e.g., “**ARBITRATION AGREEMENT**”)
- Waiver in **BOLD, ALL CAPS**
- Forced scroll
- Moving online does not necessarily mean substance will vary, but presentation certainly will

Make Users Click

Assent

- Clickwrap for formation and amendment
- Be precise in call-to-click!
- Separate checkboxes for sign-up and acceptance of terms

Consider Breadth and Specificity

Provision should include:

- Agreement to arbitrate broad class of claims
- Waiver of class / representative / mass action
- Waiver of jury trial
- Arbitration forum and rules
- Mechanism for initiating
- Choice of law
- Limitation of liability / waiver of punitives
- Confidentiality
- Severability

Keep clear records

Preserve

- Back-end records showing who agreed, on what date
- Historical records of terms on any specific date
- Screenshots of UI in which terms presented
- Screenshots of UI showing interactions required to manifest assent
- Notice (emails, in-app pop-ups) of amendments

All records of applicable terms and user interface are potential evidence in litigation.



Thank you!