

Complaint

IN THE MATTER OF

**GENERAL WORKINGS INC. D/B/A VULCUN,
ALI MOIZ
AND
MURTAZA HUSSAIN**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT

*Docket No. C-4573; File No. 152 3159
Complaint, April 18, 2016 – Decision, April 18, 2016*

This consent order addresses General Workings Inc.’s replacement of a popular browser-based game called *Running Fred* with their own software program, called *Weekly Android Apps*, on users’ desktops, which contained code that would install, without adequate disclosure to users, apps on user’s mobile devices, without informing consumers. The complaint alleges that Respondents installed software, including Chrome browser extensions and mobile apps, onto users’ desktops and mobile devices without adequately disclosing to users that the software would be installed. The consent order requires Respondents to clearly and conspicuously disclose the types of information their products and services will access, how that information will be used, and the nature of any changes to Respondents’ products and services. The order also requires Respondents to display built-in permission notices or approvals, and to obtain consumer’s express affirmative consent prior to installation or material changes of any product or service.

Participants

For the *Commission*: Alexander E. Reicher and Jacob Snow.

For the *Respondents*: Nate Garhart, Cobalt LLP.

COMPLAINT

The Federal Trade Commission, having reason to believe that General Workings Inc., a corporation, and Ali Moiz and Murtaza Hussain, individually and as officers of the corporation (collectively “Respondents”), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

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1. Respondent General Workings Inc., also doing business as Vulcun (“Vulcun”), is a Delaware corporation with its principal office or place of business at 424 Clay Street, San Francisco, California 94111.

2. Respondent Ali Moiz is a founder and officer of Vulcun. Individually or in concert with others, he controlled or had the authority to control, or participated in, the acts and practices of Vulcun, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of Vulcun.

3. Respondent Murtaza Hussain is a founder and officer of Vulcun. Individually or in concert with others, he controlled or had the authority to control, or participated in, the acts and practices of the Vulcun, including the acts and practices alleged in this complaint. His principal office or place of business is the same as that of Vulcun.

4. As described below, Respondents installed software, including Chrome browser extensions and mobile apps, onto users’ desktops and mobile devices without adequately disclosing to users that the software would be installed. Respondents’ conduct had two parts. First, Respondents acquired a popular browser-based game called *Running Fred* and replaced it entirely with their own software program, called *Weekly Android Apps*, on users’ desktops. Users of *Running Fred* were not informed that the game had been replaced. Second, *Weekly Android Apps* contained code that would install, again without adequate disclosure to users, apps on user’s mobile devices.

5. The acts and practices of Respondents alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

Desktop Computer Browser Extensions

6. Google, Inc. (“Google”) offers a web browser, Chrome, as a free download for desktop computer and mobile operating systems. The desktop-computer version of Chrome allows users to install “extensions,” which are software programs that can

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modify and extend Chrome's functionality. Extensions are created using web technologies like HTML, JavaScript, and Cascading Style Sheets. Extensions can perform minimal functions in the browser, like displaying the number of unread emails in a user's account. But they also can operate as complete, independent programs. Among the available Chrome browser extensions are games, news readers, video-streaming clients, project-management applications, and many others. Chrome browser extensions currently run only in the desktop-computer version of Chrome; the version of Chrome for mobile operating systems does not allow the use of extensions.

7. The Chrome Web Store is Google's portal for consumers to find and install extensions in their Chrome web browser. Similar to a mobile-app store like the Google Play Store, the Chrome Web Store allows users to view information about extensions that are offered by developers and also to install those extensions. The Chrome Web Store displays, for example, user reviews and ratings of available Chrome browser extensions. The Chrome Web Store also displays the number of users who have installed each extension. When users comment or review an extension, it is possible for the developer of the extension to write a response to the review. These reviews, and any responses, are then visible to consumers browsing the Chrome Web Store.

Installation of Mobile Apps

8. The Google Play Store is Google's portal for consumers to find and install apps on devices running the Android mobile operating system. The Google Play Store is accessible through a website on a desktop-computer browser and through a standalone Android app.

9. Some users can only install mobile apps from their mobile devices. Other users have configured their accounts to allow their desktop computers, through the Google Play Store, to install Android apps on their mobile devices.

10. When users install a mobile app (whether they do so from a desktop computer or mobile device), the user is presented with a window describing what information, including sensitive

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information (e.g., location information) or sensitive device functionality (e.g., the ability to take photos with the device's camera), an app may access. The installation process allows users to decline to install an app if they do not wish to grant the app's requested permissions.

The Takeover of *Running Fred*

11. Chrome browser extensions are associated in the Chrome Web Store with particular developers or other entities. Dedalord, LLC, a game developer, offered a browser extension, *Running Fred*, in the Chrome Web Store. *Running Fred* became a popular Chrome-extension game with a large number of users. *Running Fred* had more than 200,000 users and an average star rating of 4.5 stars (out of 5 possible stars) with approximately 2,300 reviews.

12. On or around September 9, 2014, Respondents acquired control of *Running Fred*. Shortly thereafter, Respondents replaced *Running Fred* on these users' browsers with another Chrome browser extension called *Weekly Android Apps*. The users of *Running Fred* were not notified that *Running Fred* had been replaced.

Respondents' Advertising of *Weekly Android Apps*

13. After replacing *Running Fred* with *Weekly Android Apps*, Respondents continued to advertise and distribute Chrome Extensions called *Weekly Android Apps* and *Apps by Cindy* to consumers via the Chrome Web Store. In the Chrome Web Store, Respondents stated that *Weekly Android Apps* offered consumers "the hottest mobile apps." Moreover, Respondents claimed the apps selected would be "hand picked" and not influenced by payments from developers. Exhibit A (screen shot from Chrome Web Store). In fact, Respondents did accept payments from at least one developer of an apps that was included in *Weekly Android Apps*. Respondents also claimed—inaccurately—that their extensions, which includes *Weekly Android Apps*, had been featured on prominent tech sites, such as MacRumors, Engadget, and Lifehacker. Further, Respondents claimed—again

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inaccurately—that *Apps by Cindy* had been selected as “one of the best mobile blogs of 2013” by RunMobile.

14. Consumers often install extensions based on the popularity and star rating of Chrome browser extensions in the Chrome Web Store. After the takeover of *Running Fred*, the information page for *Weekly Android Apps* on the Chrome Web Store stated that it had more than 200,000 users, 2,300 reviews, and an average 4.5-star-rating. Exhibit B (screen shot from Chrome Web Store). This user count and star rating, however, primarily reflected the user count and star rating associated with *Running Fred*. Few, if any of, these users had ever rated or used *Weekly Android Apps*.

**Disruption of Users’ Experience on Mobile Devices and
Desktop Computers**

15. Once installed on users’ desktop computers, *Weekly Android Apps* force-installed apps onto those users’ mobile devices. *Weekly Android Apps* accomplished this by preventing users from reviewing the Android permissions associated with the apps that it installed onto users’ mobile devices. These permissions would have shown the user what information or device functionality the apps could access. Code in *Weekly Android Apps* hid these permissions and automatically approved the default Android permissions request associated with the apps without the user’s knowledge. *Weekly Android Apps*, after taking over *Running Fred*, installed numerous apps using this code, including one solitaire game and a second app called *myphoneemails*.

16. *Weekly Android Apps* significantly disrupted users’ operation of their desktop computers. *Weekly Android Apps* opened additional windows and also reset the users’ home page for their browsers. Desktop-computer users saw new tabs or windows open repeatedly. When users closed the new windows, others would pop up. One user complained that “[t]his was installed automatically somehow, it has something to do with a . . . bug that has infected my chromebook[.] [O]n [C]hrome I have tabs opening by themselves advertising this poker and other [P]lay [S]tore items saying ‘click here to install on your phone[.]’ I have never authorized this tab[.] Please stop these people!!!!”

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Another user stated that “I didn’t ask for this extension to be installed, and there was no notification that it was being installed, yet it just showed up in my browser! I only found out about it because Chrome informed me that it was taking over my home page! How did this happen?”

17. *Weekly Android Apps* also significantly disrupted users’ operation of their mobile devices without appropriate consent. Once *Weekly Android Apps* was installed on user’s desktop browsers, it would redirect the users’ browsers to the Google Play Store. Once at the Google Play Store, *Weekly Android Apps* would detect and click the “Buy” buttons associated with certain mobile apps without notifying the user. *Weekly Android Apps* would also accept the Android permission notification without notifying the user. As a result, mobile-device users found unexpected and unfamiliar apps on their devices, and, when users sought to delete those apps, new ones reappeared, without any action from the users. One user complained that the mobile app “keeps reinstalling itself. . . . It’s happening to my wife’s phone too. Help!” Another user complained that “[i]t continuously installs itself to my system without my consent no matter how many times I try to uninstall it. Others are also experiencing this. This ‘application’ might be a virus.”

18. Because the *Weekly Android Apps* hid and accepted the default Android permissions request, these mobile apps could have gained immediate access to the user’s address book, photos, location, and persistent device identifiers. In addition, once installed, the apps could have gained access to other information, including financial and health information, by executing additional malicious code on the consumer’s mobile device.

COUNT I Unfair Practice

19. As described in paragraphs 11 through 18, Respondents installed *Weekly Android Apps* on more than 200,000 users’ browsers without adequate notice to the users or consent for the installation. Users whose desktop and mobile devices were compromised had their experience of using their devices seriously disrupted. Moreover, *Weekly Android Apps* allowed Respondents

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to force-install apps onto users' mobile devices. The force-installed apps on users' mobile devices also repeatedly reappeared after users attempted to remove them. These actions seriously interfered with the consumers' use of their desktop computers and mobile devices. In addition, any apps force-installed on users' mobile devices could have provided Respondents and the app developer with access to private, sensitive information stored on the users' mobile devices, including user's address book, photos, location, persistent device identifiers, and medical and financial information. Respondents' conduct has caused or is likely to cause substantial injury to consumers that is not outweighed by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers themselves. Respondents' conduct is an unfair act or practice.

COUNT II
False Claims

20. In connection with the advertising, promotion, or distribution of *Weekly Android Apps*, Respondents have represented, directly or indirectly, expressly or by implication, that:

- a. *Weekly Android Apps* provides impartial, independent selections of apps.
- b. *Weekly Android Apps* has been featured on prominent tech sites, such as MacRumors, Engadget and Lifehacker.
- c. *Apps by Cindy* has been selected as one of the best mobile blogs of 2013 by RunMobile.
- d. *Weekly Android Apps* has been installed by more than 200,000 users.
- e. *Weekly Android Apps* had more than 2,300 reviews and an average rating of 4.5 out of 5 stars.

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21. In truth and in fact:

- a. *Weekly Android Apps* did not provide impartial, independent selections of apps. Respondents received some financial compensation in return for installing the developers' apps on consumers' mobile devices.
- b. *Weekly Android Apps* had not been featured on prominent tech sites such as MacRumors, Engadget, and Lifehacker.
- c. *Apps by Cindy* has not been selected as one of the best mobile blogs of 2013 by RunMobile.
- d. *Weekly Android Apps* had not been installed by more than 200,000 users. Rather, the vast majority of these users had installed *Running Fred*, not *Weekly Android Apps*.
- e. *Weekly Android Apps* did not have more than 2,300 reviews and an average rating of 4.5 out of 5 stars. The vast majority of these ratings were from *Running Fred* users, not *Weekly Android Apps* users.

22. Therefore, the representations set forth in Paragraph 20 were, and are, false and misleading.

Violations of Section 5

23. The acts and practices of Respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this eighteenth day of April, 2016, has issued this complaint against Respondents.

By the Commission.

Decision and Order

DECISION AND ORDER

The Federal Trade Commission (“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 a complaint which the Western Region–San Francisco proposed to present to the Commission for its consideration and which, if issued, would charge the Respondents with violations of the Federal Trade Commission Act; and

The Respondents, their attorney, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“consent agreement”), which includes: a statement by Respondents that they neither admit nor deny any of the allegations in the draft complaint except as specifically stated in the consent agreement, and, only for purposes of this action, admit the facts necessary to establish jurisdiction; 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 Federal Trade Commission Act, and that a 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 for the receipt and consideration of public comments, and having duly considered the comments received from interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34, now in further conformity with the procedure prescribed in Commission Rule 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent General Workings Inc., also doing business as Vulcun, is a Delaware corporation with its principal office or place of business at 930 Montgomery Street, Suite 301, San Francisco, California 94111.

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2. Respondent Ali Moiz is a founder and officer of General Workings. His principal office or place of business is the same as that of General Workings.
3. Respondent Murtaza Hussain is a founder and officer of General Workings. His principal office or place of business is the same as that of General Workings.
4. 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:

- A. Unless otherwise specified, “Respondents” shall mean General Workings Inc., a corporation, also doing business as General Workings, its successors and assigns; and Ali Moiz and Murtaza Hussain, individually and as officers of the corporation.
- B. “Affected Consumers” shall mean all persons who, prior to December 1, 2014, had *Running Fred*, *Weekly Android Apps*, or other related applications present on their web browser; or (b) had applications installed on any mobile device or computer through *Weekly Android Apps* or another related application.
- C. “Clearly and conspicuously” means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including in all of the following ways:
 1. In any communication that is solely visual or solely audible, the disclosure must be made through the same means through which the

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communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the disclosure must be presented simultaneously in both the visual and audible portions of the communication, even if the representation requiring the disclosure is made in only one means.

2. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
3. An audible disclosure, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.
4. In any communication using an interactive electronic medium, such as the Internet or software, the disclosure must be unavoidable.
5. The disclosure must use diction and syntax understandable to ordinary consumers and must appear in each language in which the representation that requires the disclosure appears.
6. The disclosure must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
7. The disclosure must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.

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- D. “Covered Information” shall mean information from or about an individual consumer, including but not limited to (a) a first and last name; (b) a home or other physical address, including street name and name of city or town; (c) an email address or other online contact information, such as an instant messaging user identifier or a screen name; (d) a telephone number; (e) a Social Security number; (f) a driver’s license or other state-issued identification number; (g) a financial institution account number; (h) credit or debit card information; (i) a persistent identifier, such as a customer number held in a “cookie,” a static Internet Protocol (“IP”) address, a mobile device ID, or processor serial number; (j) precise geolocation data of an individual or mobile device, including but not limited to GPS-based, WiFi-based, or cell-based location information (“geolocation information”); (k) an authentication credential, such as a username and password; or (l) any other communications or content stored on a consumer’s mobile device.
- E. “Covered Products or Services” shall mean any product or service offered or operated by any Respondent, including, but not limited, to any (a) browser extension, (b) website or web service, or (c) mobile app.
- F. “Commerce” shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

I.

IT IS ORDERED that Respondents and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Covered Products or Services, in or affecting commerce, shall not misrepresent in any manner, expressly or by implication:

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- A. The existence of any connection between an endorser and a provider of such Covered Products or Services that might materially affect the weight or credibility of the endorsement;
- B. The nature of such Covered Products or Services installed, downloaded, reviewed, or endorsed by consumers;
- C. The number of consumers that have installed, downloaded, used, reviewed, or endorsed such Covered Products or Services;
- D. The nature of press coverage received by such Covered Products or Services;
- E. The extent to which Covered Information is collected, used, disclosed, or shared;
- F. The extent to which users may exercise control over the collection, use, disclosure, or sharing of Covered Information;
- G. The purpose(s) for which any Covered Information will be collected, used, disclosed, or shared; or
- H. The extent to which any Respondent uses, maintains, and protects the privacy, confidentiality, security, or integrity of covered information collected from or about consumers.

II.

IT IS FURTHER ORDERED that Respondents and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Covered Product or Service, shall not offer a product or service or materially change a Covered Product or Service unless prior to the consumer downloading or installing it, Respondents:

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- A. Disclose, clearly and conspicuously, the following:
 - 1. The types of information the Covered Product or Service will access and how that information will be used to perform any services related to the Covered Product or Service; and
 - 2. The nature of any material change to a Covered Product or Service;
- B. Display any built-in permissions notice or approval request associated with the installation of any product or service; and
- C. Obtain the consumer's express affirmative consent prior to the installation of the product or service and prior to any subsequent installation of any other product or service or any material change to a Covered Product or Service.

III.

IT IS FURTHER ORDERED that Respondents, within ten (10) days from the date of entry of this Order, shall delete all Covered Information relating to Affected Consumers that is within their possession, custody, or control and was collected at any time prior to the date of entry of this Order. Covered Information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by law, regulation, or court order.

Provided, however, that any Covered Information that Respondents currently possess that must be maintained under Part IV of this Order shall not be deleted.

IV.

IT IS FURTHER ORDERED that Respondents shall, for five (5) years from the entry of this order or after the last date of dissemination of any representation covered by this order,

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whichever is later, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. All advertisements and promotional materials containing the representation, including but not limited to Respondents' terms of use, end-user license agreements, frequently asked questions, privacy policies, and other documents publicly disseminated relating to: (a) the collection of data; (b) the use, disclosure or sharing of such data; and (c) opt-out practices and other mechanisms to limit or prevent such collection of data or the use, disclosure, or sharing of data;
- B. All materials that were relied upon in disseminating the representation;
- C. Complaints or inquiries relating to any Covered Product or Service, and any responses to those complaints or inquiries; and
- D. Documents that are sufficient to demonstrate compliance with each provision of this order.

V.

IT IS FURTHER ORDERED that Respondents shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and, for the next five (5) years, to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter 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 current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

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VI.

IT IS FURTHER ORDERED that Respondent General Workings Inc, and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may 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 Respondent learns less than thirty (30) days prior to the date such action is to take place, Respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be emailed to Debrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *In the Matter of General Workings Inc.*, File No. 152-3159.VII.

VII.

IT IS FURTHER ORDERED that Respondents Ali Moiz and Murtaza Hussain, for a period of five (5) years after the date of issuance of this order, shall notify the Commission of the discontinuance of their current business or employment, or of their affiliation with any new business or employment. The notice shall include each Respondent's new business address and telephone number and a description of the nature of the business or employment and his duties and responsibilities. Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be emailed to Debrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject

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line must begin: *In the Matter of General Workings Inc.*, File No. 152-3159.

VIII.

IT IS FURTHER ORDERED that Respondents, within sixty (60) days after the date of service of this order, shall each file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of their own compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, they shall submit additional true and accurate written reports. Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be emailed to Debrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *In the Matter of General Workings Inc.*, 152-3159.

IX.

This order will terminate on April 18, 2036, 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 Respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or

Analysis to Aid Public Comment

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.

**ANALYSIS OF CONSENT ORDER TO AID PUBLIC
COMMENT**

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, an agreement containing consent order from General Workings Inc., Ali Moiz, and Murtaza Hussain (collectively “Respondents”).

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed order.

Respondent General Workings Inc., also doing business as Vulcun, is a Delaware corporation with its principal office or place of business in San Francisco, California. Respondents Ali Moiz and Murtaza Hussain are founders and officers of Vulcun. The Commission’s complaint alleges that Respondents installed software, including Chrome browser extensions and mobile apps, onto users’ desktops and mobile devices without adequately disclosing to users that the software would be installed. Google offers a web browser, Chrome, as a free download for desktop computer and mobile operating systems. The desktop-computer version of Chrome allows users to install “browser extensions,” which are software programs that can modify and extend

Analysis to Aid Public Comment

Chrome's functionality. Respondents' conduct had two parts. First, Respondents acquired a popular browser-based game called *Running Fred* and replaced it entirely with their own software program, called *Weekly Android Apps*, on users' desktops. Users of *Running Fred* were not informed that the game had been replaced. Second, *Weekly Android Apps* contained code that would install, again without adequate disclosure to users, apps on user's mobile devices.

The proposed consent order contains provisions designed to prevent Respondents from engaging in similar acts or practices in the future.

Part I of the proposed order prohibits Respondents from misrepresenting certain aspects of any browser extension, website, web service, mobile app, or any other product or service they offer or operate. Specifically, Respondents are prohibited from misrepresenting: the existence of certain endorsements; the nature of their products and services; the installation, download, usage, review, or endorsement statistics associated with their products and services; the press coverage of their products and services; their information collection, usage, disclosure, and sharing practices; the extent of user control over information about individual consumers; the purpose of collecting, using, disclosing, or sharing information about individual consumers; and the extent to which Respondents protect the privacy, confidentiality, security, and integrity of information collected from or about consumers.

Part II of the proposed order requires Respondents to clearly and conspicuously disclose the types of information their products and services will access, how that information will be used, and the nature of any changes to Respondents' products and services. The order also requires Respondents to display built-in permission notices or approvals, and to obtain consumer's express affirmative consent prior to installation or material changes of any product or service.

Part III of the proposed order requires Respondents to delete certain information collected about individual consumers within ten days of entry of the order.

Analysis to Aid Public Comment

Part IV of the proposed order contains recordkeeping requirements for advertisements and substantiation relevant to representations covered by Parts I through III of the order.

Parts V, VI, VII, and VIII of the proposed order require Respondents to: deliver a copy of the order to certain personnel who have responsibilities with respect to the subject matter of the order; notify the Commission of changes in corporate structure that might affect compliance obligations under the order; notify the Commission of changes in the employment of Respondents Moiz and Hussain; and file compliance reports with the Commission.

Part IX of the proposed order provides that the order will terminate after twenty (20) years, with certain exceptions.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the complaint or proposed order, or to modify the proposed order's terms in any way.

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IN THE MATTER OF

**LUPIN LTD,
GAVIS PHARMACEUTICALS LLC,
AND
NOVEL LABORATORIES, INC.**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT AND
SECTION 7 OF THE CLAYTON ACT

*Docket No. C-4566; File No. 151 0202
Complaint, February 18, 2016 – Decision, April 20, 2016*

This consent order addresses the \$850 million acquisition by Lupin Ltd. of certain assets of Gavis Pharmaceuticals LLC and Novel Laboratories, Inc. The complaint alleges that the acquisitions, if consummated, would violate Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act by lessening current competition in the market for generic doxycycline monohydrate capsules and future competition in the market for generic mesalamine ER capsules in the United States. The consent order requires the parties to divest all of Gavis's rights and assets related to generic doxycycline monohydrate capsules and generic mesalamine extended release capsules to G&W Laboratories.

Participants

For the *Commission*: Jennifer Lee and Kari A. Wallace.

For the *Respondents*: Hill B. Wellford III, Morgan Lewis & Bockius LLP; Amanda P. Reeves, Latham & Watkins LLP.

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act ("FTC Act"), and its authority thereunder, the Federal Trade Commission ("Commission"), having reason to believe that Respondent Lupin Ltd. ("Lupin"), a corporation subject to the jurisdiction of the Commission, has agreed to acquire Respondents Gavis Pharmaceuticals Inc. ("Gavis") and Novel Laboratories, Inc. ("Novel"), corporations subject to the jurisdiction of the Commission, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, that such acquisitions, if