Before the Federal Trade Commission Washington, DC 20580

In the Matter of)
)
Integrated Search Technologies)
NegativeBeats.com)
ContextPlus)
Meridian Business Ventures)
SurfAccuracy)
Internet Optimizer)

Complaint and Request for Investigation, Injunction, and Other Relief

SUMMARY

The Center for Democracy and Technology has been active in the battle against unwanted "spyware" for more than five years. For the past two years, we have investigated publicized concerns about practices in affiliate distribution of software. This complaint details egregious practices used by Integrated Search Technologies (IST), their affiliates and bundle partners to install these often-unwanted programs on unsuspecting users' computers. The specific practices involved include: deceptive dialog boxes, installation of up to 12 different advertising programs in exchange for no user benefit, and unfairly difficult uninstallation procedures. CDT believes that similar deceptive and unfair practices by IST have been well documented and the adware companies involved must be held liable for the actions of their affiliates in this case.

I. Introduction

- 1. The Center for Democracy and Technology has received a variety of complaints from Internet users about the companies named in this complaint through our spyware-action web page, and has tracked numerous other complaints in online forums. On the basis of these complaints, we have investigated and uncovered deceptive and unfair behavior by these companies and their distribution partners.
- 2. In this report, we offer real-world examples to document how Integrated Search Technologies has prepared a large bundle of software that includes software that is deceptively and unfairly installed on users' computers.
- 3. Specifically this complaint outlines how Integrated Search Technologies (IST), is using deceptive and unfair practices to install ContextPlus, QuickLinks, Surf Accuracy, and Internet

Optimizer along with a variety of its own software products without permission, using misleading notices to the users.

- 4. As of this writing, the ContextPlus, QuickLinks, Surf Accuracy, and Internet Optimizer servers continue to remotely enable installations of their software from IST, despite the fact that information on the IST's deceptive and unfair practices have been widely published. Including:
 - (a) Major Anti-Spyware Web sites have published their research on IST's practices. ¹
 - (b) Several adware vendors publicly and privately broke off relationships with IST based on a review of IST's practices. This information on these changes was widely publicized.² These companies had ample opportunity to investigate IST's practices and come to similar conclusions.
 - (c) It has been widely reported that IST relies on technical 'exploits' to install the bundle, a practice that should have caused these companies to review their relationships with Integrated Search Technologies practices.³
- 5. In light of the harms suffered by Internet users, CDT is requesting that the Commission:
 - (a) Investigate the companies named in this complaint and their subsidiaries and affiliates to determine who is responsible for the deceptive and unfair installation of software.
 - (b) Enjoin the companies named in this complaint, or other responsible parties from future use of the deceptive and unfair installation of software.
 - (c) Seek other such equitable relief as the Commission finds appropriate.
- 6. This complaint is filed in concert with the Canadian Internet Policy and Public Internet Center, a group that is filing a similar complaint against Integrated Search Technologies with Canadian authorities.

II. PARTIES

Center for Democracy and Technology

¹ See, for example: http://www.symantec.com/avcenter/venc/data/adware.yoursitebar.html, http://www.f-secure.com/sw-desc/yoursitebar.shtml,

http://www.pandasoftware.com/virus_info/encyclopedia/overview.aspx?idvirus=54606,

http://www3.ca.com/securityadvisor/pest/pest.aspx?id=453093992.

http://www.aluriasoftware.com/index.php?menu=spywarelab&submenu=detail&n=yoursitebar,

² CDT contacted six of the companies that, at one point, were in the bundle about distribution problems generally via phone message and voice mail. With one exception, these initial messages made no mention of IST. Two of these companies removed themselves from the bundle before CDT mentioned specific concerns about IST based on public reports of IST's install behavior. Three others removed themselves based on descriptions of IST's egregious practices and links to public information about IST. All five of these companies also said that they were either in the process of reviewing their distribution practices or had reviewed and were changing their distribution practices. Only ContextPlus did not respond. CDT did not contact Meridian Business Ventures because the company listed no contact information or Web site in the EULA provided. CDT decided, because of the potential extra resources involved, not to contact companies outside of the US, including negativebeats.com, IST, Surf Accuracy and Internet Optimizer.

³ Several sites have followed these exploits closely. Most notably http://www.vitalsecurity.org/2005/10/ysbweb-and-crack-extractor-part-2.html

- 7. The Center for Democracy and Technology (CDT) is a non-profit, public interest organization incorporated in the District of Columbia and operating as a tax-exempt organization. CDT is dedicated to preserving privacy, civil liberties and other democratic values on the Internet. CDT pursues its mission through public education, grass roots organizing, litigation, and coalition building.
- 8. In November 2003, CDT released a report entitled "Ghosts in Our Machines: Background and Policy Proposals on the 'Spyware' Problem" (http://www.cdt.org/privacy/031100spyware.pdf). Simultaneously, CDT called for Internet users to report their experiences with so-called "spyware" programs. At that time we said that we would investigate the complaints received and, where we believed appropriate, file complaints with the FTC. (See http://www.cdt.org/action/spyware.) Subsequently, CDT filed a complaint with the FTC against Mailwiper, Inc. and Seismic Entertainment Media, Inc. in February 2004. CDT continues to be a leading voice on spyware issues working closely with anti-spyware companies, researchers and public interest groups.

Integrated Search Technologies (IST)

- 9. IST sells advertising software and distributes its own and other products through a network of affiliates.
- 10. The company's Web site, http://www.isearchtech.com, lists its own products for Web surfers as Homepage (Slotch.com), Search Companion (sidefind.com), and Internet Explorer Toolbar (Slotchbar.com) as well as Toolbarcash and YourSiteBar as products for Webmasters. It also lists the Worldwide Pop Distribution System as a product for advertisers. It is difficult to discern the true nature of that product absent any guidance from IST. According to the terms of service for YourSiteBar, IST also developed xxtoolbar and PowerScan.
- 11. IST is incorporated in Montreal, Canada.

NegativeBeats.com

- 12. NegativeBeats.com is a Web site that claims to offer free mp3 files of popular artists such as the Dave Matthews Band and A Simple Plan.
- 13. Information obtained from the 'whois' database on NegativeBeats.com suggests that the site is hosted in Bucarest, Romania.⁴

ContextPlus

14. The ContextPlusWeb site, http://www.contextplus,com says that its software "makes it amazingly simple for both web sites and web software products to offer their services to consumers for free, in return for viewing highly targeted, contextual ad messaging based on the consumer's unique browsing behaviour."

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⁴ http://www.dnsstuff.com/tools/whois.ch?ip=negativebeats.com

15. ContextPlus' whereabouts are unclear. When CDT attempted to contact ContextPlus the 'whois' database suggested that the company is based in Kirkland Washington. Since that time, ContextPlus, contact information in the database has been changed to reflect an address in Paris, France. Screenshots from both of these 'whois' searches are available in Appendix A.

Meridian Business Ventures

- 16. The QuickLinks EULA, linked to from the Your Site Bar EULA, suggests that QuickLinks is an advertising program. Our research shows that QuickLinks is a Browser Helper Object. The QuickLinks EULA is hosted on ysbweb.com and refers to "Meridian Business Ventures" as the company behind Quicklinks. QuickLinks was added to the Your Site Bar License Agreement after October 15, 2005.
- 17. No address is listed for Meridian Business Ventures in the EULA.⁵

Surf Accuracy

- 18. Surf Accuracy says on its Web site⁶ that its product "targets the customers through several different delivery methods such as highly effective contextual popup ads based on the behavior of the surfer. Our online manager allows advertisers to delivers their ads through cost effective campaigns by targetting keywords and regions to maximize their ROI."
- 19. Information obtained from the 'whois' database on Surf Accuracy suggests that the company is based in Montreal, Quebec.⁷

Internet Optimizer

- 20. Internet Optimizer says on its Web site that its product's "highly targeted advertising technology enables marketers to deliver advertisements to millions of consumers all over the world."
- 21. Information obtained from the 'whois' database on Internet-optimizer.com suggests that the site is produced by Avenue Media based in Curacao.⁸

⁵ Research published on the Web has suggested that Meridian Business Ventures is tied to other advertising products including "PersonalMoneyTree" — http://research.sunbelt-

software.com/threat_display.cfm?name=PersonalMoneyTree&threatid=41379>. The PersonalMoneyTree.com Web site list its location as Marina Del Ray, CA.

⁶ http://www.ysb.com/terms.html — IST may also be affiliated with Surf Accuracy as their Web sites are almost identical including requesting email contact for information on the Worldwide Pop Distribution System.

⁷ http://www.dnsstuff.com/tools/whois.ch?ip=surf-accuracy.com

⁸ http://www.dnsstuff.com/tools/whois.ch?ip=internet-optimizer.com

III. STATEMENT OF FACTS

- 22. CDT has been investigating several sites and companies partnering with Integrated Search Technologies. One of the sites that CDT investigated is NegativeBeats.com
- 23. Upon arriving at NegativeBeats.com, users are given a list of popular song titles.



24. Clicking on one of the song titles sends the user to a page that suggests that the user will receive the mp3 file of the song if the user clicks through and downloads a free plugin.



25. When the user clicks on the download button, an Active X prompt is displayed.⁹



- 26. The Active X prompt says "Do you want to install and run 'Get MP3s Download here! By clicking yes you are agreeing to install yoursitebar, ad supported softwares and the terms and conditions." While there is no information to what the terms and conditions refer to or where they can be found, clicking on this statement will cause the terms to be displayed.
- 27. The terms and conditions (Appendix B) state that the user is, in fact agreeing to download the following advertising programs:
 - 1. Yoursitebar

⁹ Users of Microsoft XP with Service Pack 2 (including Active X blocking features) are given alternative directions to download the software.

- 2. Slotchbar
- 3. xxtoolbar
- 4. Sidefind
- 5. PowerScan
- 6. Internet Optimizer
- 7. ContextPlus
- 8. Surfaccuracy
- 9. Yazzle¹⁰
- 10. QuickLinks
- 28. If the user clicks "Yes," a bundle of software is installed.
- 29. CDT has had different experiences when installing the bundle. Installs completed from September 1 to October 24, 2005 yielded between seven and 12 advertising programs. On September 16, CDT documented installation of at least nine self-executing programs and three browser helper objects that we could detect. While many of these programs related directly to those listed in the terms of service it was difficult to match them all. (See Appendix C for a full list of changes to the system from the install).
- 30. During installation there is no information and no separate consent for the installation of the different adware programs.
- 31. Almost immediately upon installation the user starts receiving pop-up ads. These ads are come from many sources and create a significant drain on usability. See Appendix C for CDT's impact measurement.
- 32. CDT tried several of the mp3 links and several means to try to install the software. However, we have never been able to actually download an mp3 from the site.
- 33. There is no information on NegativeBeats.com for details on the bundle once the programs have been installed.
- 34. There is also no information on uninstalling the bundle on NegativeBeats.com.
- 35. Many of the programs do show up in uninstall although it is unclear which of these programs were installed in the bundle. Without the proper information, a user is forced to uninstall each program individually. The browser helper objects cannot be uninstalled through Windows' add/remove programs function.
- 37. There is no link to the terms and conditions on the YourSiteBar site. Thus, once the software is installed, a user has no opportunity to review the terms of service.

¹⁰ Yazzle was added to the Your Site Bar License Agreement after October 15, 2005. The Yazzle EULA, linked to from the Your Site Bar EULA, suggests that their program Outer Info Network Client (OIN) is an advertising program that displays "banner ads, pop-up or pop-under ads, or other types of ads selected based on your online activities." CDT could not verify that Yazzle software was consistently downloading with the Your Site Bar bundle at the time of the filing of this complaint. A 'whois' search on Yazzle.net suggests that the company is located in Boston Massachussets http://www.dnsstuff.com/tools/whois.ch?ip=yazzle.net.

IV. Instances of Unfair and Deceptive Practices with the IST Bundle and NegativeBeats.com

37. CDT believes that the bundle offered by IST on the NegativeBeats.com Web site violates Section 5 of the FTC Act, other unfair and deceptive practices laws, and several computer fraud laws because:

- A. The exchange for the download of software is taking place under a deceptive and fraudulent premise: that the user will receive MP3s if the user downloads the software bundle.
- B. The install procedure is unfair because a user is likely to expect a download of what purports to be a free plug-in, but actually contains multiple advertising programs. The information provided on NegativeBeats.com and even the preliminary information that can be gained from the Active X box itself is unfair and deceptive because it fails to provide sufficient information for users to make informed decisions about the potential negative impact of the software that will be downloaded.
- C. The multiple advertising programs included in the IST bundle create a unfair practice by greatly impacting or inhibiting an average consumers' use of the Internet. The large number of adware programs installed simultaneously cause constant pop-up ads making Internet surfing difficult for any user, but particularly those with dialup connections. Users operating with already limited bandwidth may find their Internet connections rendered virtually useless by the blizzard of pop-ups.
- D. The uninstall procedure is unfair because average consumers are unlikely to be able to find and adequately remove or disable all of the programs that were installed. Users are unlikely to be able to find the uninstall instructions for the bundle because they are only included from the hidden link in the Active X box at the time of installation. Otherwise users need to uninstall the programs that appear in add/remove programs. Not all of these programs are given the same name in the add/remove file as they are in the installation process, which further complicates the already difficult process for consumers.

V. ContextPlus, Meridian Business Ventures, Surf Accuracy and Internet Optimizer Liability

38. CDT believes that the manufacturers of advertising display software should be held responsible for the illegal practices described above because:

- (d) IST's bad practices have been well documented, yet these companies continued to work with IST.
- (e) Companies must be held responsible for the actions of their affiliates. While this is an established principle of unfair and deceptive practice laws generally, this principal is particularly important in this case because the affiliates are spread around the

world. If companies are not held responsible for the actions of their foreign partners, they have no incentive either to scrutinize those partners' practices or to break off profitable relationships with known bad actors.

VI. Conclusion and Request for Relief

- 39. Because of the deceptive and unfair nature of the installation practices of IST and its partners, CDT is requesting that the Commission:
 - (a) Investigate the companies named in this complaint and their subsidiaries and affiliates to determine who is responsible for the deceptive and unfair installation of software;
 - (b) Enjoin the companies named in this complaint, or other responsible parties from future use of the deceptive and unfair installation of software; and
 - (c) Other such equitable relief as the Commission finds appropriate.

CDT believes that the practices in this case, while egregious, are not atypical of the deceptive and unfair acts committed by adware companies and their distributors over the past three years. We hope that the Commission will work in concert with other law enforcement agencies around the world to help put an end to these practices once and for all.

Respectfully submitted,

Ari Schwartz, Deputy Director Center for Democracy and Technology 1634 I St., NW Washington, DC 2006 202-637-9800 http://www.cdt.org November 3, 2005

The appendicies included in the original complaint sent to the FTC are available on request from CDT. Contact David McGuire (202) 637-9800 x106, or by email dmcguire@cdt.org.