

Asp, Warr Examine FTC's Proposed "Click to Cancel" Rule in *Bloomberg Law*

In the News

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Stinson LLP's [Nicci Warr](#) and [Emily Asp](#) authored an article for Bloomberg Law, "FTC Click to Cancel Rule Proposes Easier Opt-Outs for Consumers," discussing the Federal Trade Commission's (FTC) proposed click to cancel rule.

Last month, the FTC pitched requirements for companies selling goods and services through subscriptions, automatic renewals and other membership practices. Informally called the "click to cancel," rule, the proposal is an extension of the FTC's 1973 [prenotification negative option rule](#), and, covering a larger scope of activity, greatly encourages companies to make canceling subscriptions or memberships as easy as it is to sign up.

Asp and Warr examine how the proposed rule might improve engagement with online subscriptions and provide insight into how and where companies will need to revise their processes.

"While the final rule won't be published until after a notice and comment period, businesses should proactively review their subscription and membership practices to be ready to comply with a final rule and avoid any legal ramifications down the road," the attorneys write. To accomplish this, they say companies should:

- Catalog their negative-option marketing offerings under the broader definition provided by the FTC under the proposed rule and review the processes associated with these offerings from beginning to end.
- Review pre-billing disclosures to ensure all material terms of a deal are disclosed to consumers before they enter their billing information and that express consent to the subscription is obtained.
- Begin discussions with their IT departments and other technical personnel to begin designing a simple cancellation procedure that customers can use to cancel their participation in negative-option

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programs, and to set up appropriate annual notifications for consumers.

"It's time to understand ahead of the final rule's incorporation about how a compliant cancellation process can be implemented in accordance with the law," Asp and Warr state.

The FTC is taking comments on the proposed rule until April 19, 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.

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.

[Read](#) the full article.

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