NetChoice Promoting Convenience, Choice, and Commerce on The Net Carl M. Szabo, General Counsel 1401 K St NW, Suite 502 Washington, DC 20005 202-420-7485 www.netchoice.org



February 13, 2018

Delegate Dereck E. Davis, Chair House Committee on Economic Matters Maryland General Assembly House Office Building, Room 231 Annapolis, MD 21401

## RE: Support for HB 740, relating to consumer protection in Ticket website domain names Scheduled for hearing on February 14, 2018

Dear Chairman Davis and members of the committee:

We ask that you approve HB 740, sponsored by Delegate Luke Clippinger, a member of this committee.

Fans across Maryland regularly search online for tickets to their favorite concerts and shows. Unfortunately, many fans are misled by deceptive domain names in search results, which are designed to trick fans into thinking they are seeing unsold seats offered by the venue.

Take for example, a fan looking to see Cher in concert this weekend at the MGM theater at National Harbor. That fan enters "cher national harbor" in her search engine, and here's the top result she sees:

## Cher National Harbor | 2018 Tickets On Sale Today.

(Ad) www.theaternationalharbor.com/ ▼

Cher Concert Resale Tickets The Theater at National Harbor Oxon Hill, MD.

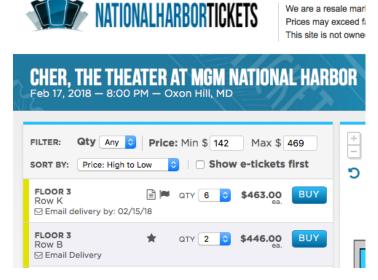
Last Minute Tickets · Secure Checkout · A+ Rated · 100% Guarantee · Instant Download · eTickets

Despite the domain name, theaternationalharbor.com, this site has no affiliation with MGM National

Harbor. In fact, this website is run by a ticket resale outfit that shows only tickets offered by brokers – at significant markups over regular seats still available at National Harbor.

The website theaternatioanlharbor.com makes it appear they are the official site for National Harbor, and displays Section 3 seats for Saturday night's show at over \$400 (see image at right).

But over at MGM's official ticket website, there are still dozens of unsold seats in Section 3, at the face value of \$270.

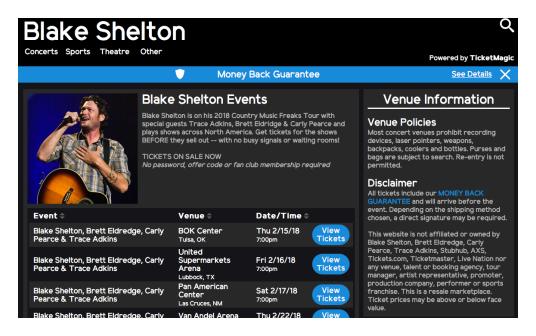


These deceptive domains add no value for consumers when unsold seats are still available at the venue/promoter website. And when a show is actually sold-out, fans can turn to trusted secondary market websites where they can see a larger selection of resale seats.

As you can see, there is little to alert Maryland fans that this site has no affiliation with the artist, tour, or venue. These deceptive sites may have fine-print disclosures about their lack of affiliation with the artist or venue, but such disclosures are rarely noticeable to fans.

HB 740 would make this example an "unfair or deceptive trade practice" and subject the owner to enforcement and penalty provisions.

Another example of deceptive domain names that would be prohibited by HB 740 is BlakeSheltonShows.com, a website offering only resale tickets for the Blake Shelton concert at Royal Farms Arena on March 16:



In fact, this tickets website is not for Blake Shelton or his tour, but is run by TicketMagic, a ticket-reseller with an "F" rating from the Better Business Bureau.<sup>1</sup>

Deceptive websites like **theaternationalharbor.com** and **BlakeSheltonShows.com** are luring Maryland fans into over-paying for a small selection of resale seats offerd by professional ticket brokers. Those fans are not aware that unsold are actually available at the venue website. The Better Business Bureau has logged hundreds of complaints against these tactics.

A good way to stop this deception is to prohibit artist or venue names from being used in domain names. Other states have taken action to stop these deceptive domains. Nevada recently enacted a law criminalizing these deceptive domain names. The Connecticut Attorney General and the Federal

<sup>&</sup>lt;sup>1</sup> In addition, according to the Better Business Bureau, TicketMagic has 21 complaints filed against it. In the Bureau's latest investigation, they "were unable to locate the identified addresses and mail sent was returned as 'undeliverable' or 'address unknown'." *See* Better Business Bureau *available at* <a href="https://www.bbb.org/connecticut/business-reviews/event-ticket-sales/ticketmagic-com-inc-in-east-haven-ct-87124953">https://www.bbb.org/connecticut/business-reviews/event-ticket-sales/ticketmagic-com-inc-in-east-haven-ct-87124953</a>

Trade Commission settled with two notorious deceptive domain operators, resulting in a permanent injunction and \$1.4 million in fines.<sup>2</sup>

Maryland should join other states in stopping this deception. HB 740 gives your Attorney General the power to take action against these bad actors.

We ask that you approve HB 740 and empower your Attorney General with the tools to stop these bad actors and protect Maryland fans from this deception.

Sincerely,

Carl M. Szabo

General Counsel, NetChoice

NetChoice is a trade association of e-Commerce and online businesses. See www.netchoice.org

<sup>&</sup>lt;sup>2</sup> Federal Trade Commission, *TicketNetwork and Marketing Partners Ryadd and Secure Box Office Settle Charges of Deceptively Marketing Resale Tickets* (July 24, 2014)