

## Appendix H

### ENTERTAINMENT MEDIA RATING INFORMATION AND SELF-REGULATORY EFFORTS ON THE INTERNET

#### I. INTRODUCTION

Although the phenomenal growth of the Internet is a relatively recent development, the Internet has already significantly increased children's entertainment options. Recent studies show that children are logging on in ever-increasing numbers.<sup>1</sup> Children, in fact, may be more familiar with computers and the Internet than their parents. In the National Public Radio/Kaiser Family Foundation/John F. Kennedy School *Kids & Technology Survey*,<sup>2</sup> for example, half of the adults surveyed responded that their children are "more comfortable" with computers than the adults are themselves. Only 14% of children surveyed responded that they are being "left behind" with computers, while 49% of adults expressed that concern. Children frequently use the Internet for entertainment, visiting "entertainment" Web sites more than other genres including sports and news sites.<sup>3</sup>

The growing influence of the Internet affects the public debate on entertainment media violence in four significant ways. First, the Internet serves as a medium for advertising and marketing, in a variety of forms ranging from banner advertisements to Web sites devoted exclusively to a single movie, game, or album.<sup>4</sup> Movie, music, and electronic game producers, as part of their promotions, disseminate portions of rated or labeled material (such as game demos or excerpts of songs or movie clips) on the Internet. Second, the Internet serves as a retail outlet. Entertainment media products are not only sold online for delivery offline, but in some cases can be purchased and transmitted online.<sup>5</sup>

Third, not only are products available for retail sale online, but the Internet serves as an open bazaar where anyone with Internet access and a credit card (or access to an alternative payment mechanism) can buy. Some children might exploit the anonymity of the Internet to gain access to rated material, allowing them to evade enforcement of restrictions on rated or labeled material at the retail store. Fourth, the Internet serves as an informational tool. It has great potential as a vehicle for dissemination of ratings information directly to children, and to those parents who are computer-savvy.

To learn about the entertainment industry's online marketing practices, the Commission independently reviewed the disclosure of ratings or advisory labels and other ratings practices on the Internet. The Commission visited content providers' Web sites as well as online retailers' sites. Also, a Commission consultant tracked and monitored industry practices on the Internet. The results of these monitoring efforts are set out below.

## **II. COMMISSION REVIEW OF OFFICIAL INTERNET SITES**

### ***A. How the Study Was Conducted***

The Commission reviewed electronic game, movie, and music Internet sites for rated or explicit-content labeled movies, recordings, and electronic games (“games”) during the week of December 20, 1999. The purpose of the review was to determine: (i) whether ratings/labels or content descriptors were displayed on the Web sites; (ii) where any such information was displayed; (iii) whether there was any type of warning or other notice that the product had been rated or labeled as a product that may be inappropriate for children on the basis of violent content; (iv) whether children could download content such as demos or audio or video clips or even the product itself; and (v) whether any steps were taken to attempt to prevent children from viewing or downloading content, among other questions.<sup>6</sup>

For each type of product, the Commission restricted the sites checked to official sites – sites affiliated with the game publisher, music label, recording company or artist, movie studio, etc. Because the companies producing the content would have less control over third parties’ policies regarding the treatment of labeled or rated material, third parties’ sites were not reviewed. The Commission staff administering the review conducted a training session prior to the review and rechecked the reviewers’ responses.

In reporting its results, the Commission gave credit to Web site operators for displaying a product’s rating, label, or content descriptor anywhere on the site. The Commission credited movie sites for displaying a rating that was visible only if one happened to view the film’s trailer; music sites for displaying the Parental Advisory label on a small scanned image of the cover art (while also noting whether the wording of the label was large enough to read); and game sites for displaying the Mature rating if the rating was visible only on a picture of the cover art of the game box, or even only after downloading the game demo.

The Commission also gave credit if a Web site contained any type of statement relating to the age of the viewer, whether or not the age reference seemed related to the product’s content. For example, in the game context, sites were credited for statements suggesting to visitors that children, or visitors under a certain age, should not view the site or a demo; purchase the game or merchandise based on it; or enter contests or chat rooms discussing or promoting the game, etc., even though in most cases, the age reference appeared to be driven by other reasons, such as concern with the privacy of personal information of children under 13 due to the Children’s Online Privacy Protection Rule, 16 C.F.R. Part 312.

## ***B. Results of the Study***

### **1. Movie sites**

For movies, the Commission surfed 46 sites for the top-selling 1999 films that had been rated either PG-13 or R, due, at least in part, to the film's violent content. Nearly all – 41 of the 46 sites reviewed – displayed the movie's rating somewhere on the site. None, however, displayed the movie's content description, even for movies rated R for strong violence. Most of the sites (39) provided trailers for visitors' viewing. In many cases, the trailer either did not contain the red or green "trailer tag" or the movie rating itself. Relatively few sites provided visitors the opportunity to purchase the movie; of those that did, virtually all (11 of 12) displayed the movie's rating on the purchase page.

Ten of the 46 sites contained at least one statement suggesting to visitors that children, or visitors under a certain age, should not view the site; view or download a trailer; purchase the movie; enter contests or other prize promotions promoting the movie; enter chat rooms or message boards discussing or promoting the movie; or purchase movie-related merchandise. Five sites asked the visitor to disclose his or her age at some point, although there was no mechanism for age verification. In addition, none contained any other warning or cautionary statement(s) relating to the content of the movie or the site, or placed links to the MPAA Web sites that contain further ratings information.

### **2. Music sites**

For music sites, the Commission surfed 39 official Web sites for the most popular explicit-content labeled recordings based upon a review of Billboard data (the top 100 albums as ranked by Billboard online as of December 11, 1999 and the top 200 albums as ranked by Billboard in print as of November 13, 1999). Because the parental advisory label does not provide information about the content of a specific recording, these recordings may have been labeled due to violent content or for other reasons, including strong language or references to sex or drug use. The official site was either the artist or band's site or a recording company site. Thirty-three of the 39 sites showed a picture of the CD cover, with the advisory label appearing on 15 of these covers. Only four of the advisories were readable. To communicate the explicit nature of a recording, however, 14 of the 39 sites provided consumers with additional information usually in the form of an enlarged parental advisory placed on the site or a text disclosure stating "explicit" placed near the picture of the CD.

In most cases, a visitor to the site could play all or a portion of a music video (27 of 39), listen to part of the album (34 of 39), or purchase the album (29 of 39). Only one site contained any statement suggesting to visitors that children, or visitors under a certain age, should not view the site; view or download a music video; purchase the album; enter contests or other prize promotions promoting the album; enter chat rooms or message boards discussing or promoting the album; or purchase merchandise based on or promoting the album. Three sites asked the visitor to disclose his or her age.

### **3. Electronic game sites**

In examining game sites, the Commission examined official publisher Web sites for 40 games. These games make up almost all of the games that had been rated M by the ESRB due, at least in part, to violent content, between January 1999 and November 1999. The game's rating was displayed on at least some portion of the site at three quarters of the game sites (30 of 40), but the content descriptors were rarely provided (only four of the sites included the game's content descriptor). Only four of the 40 sites contained any statement suggesting to visitors that children, or visitors under a certain age, should not view the site, view or download a demo, purchase the video game, enter contests or other prize promotions promoting the video game, enter chat rooms or message boards discussing or promoting the video game, or purchase merchandise based on or promoting the game. Only five sites contained any other warning or cautionary statement relating to the content of the video game or the site, and two asked the visitor to disclose his or her age. Yet, almost three out of every four sites provided game movies/trailers or demos that site visitors could either view or play (70%) or provided an opportunity to purchase the game (80%). Six of the sites linked to the ESRB Web site, which contains enhanced ratings information.

### **III. COMMISSION REVIEW OF ONLINE RETAILER SITES**

During the week of December 27, 1999, the Commission also conducted a spot-check of online retailers' sites to look at these companies' practices in selling R-rated movies, M-rated games, and labeled music. The Commission examined the same five movies, electronic games, and recordings at five online retailers' sites for each product category.<sup>7</sup>

Although the sample size of this spot-check was not large enough to support industry-wide conclusions, the results provide a snapshot of the practices of the retailers' sites that the Commission examined in selling rated or labeled products online. The online movie and

electronic game retailers' practices were largely uniform. These sites, with little variation, indicated the product's M or R rating (though not necessarily the rating icon), and displayed the rating in a place that a user would likely see it – adjacent to text, images, or other information relating to the product. Only one movie retailer and one game retailer displayed any type of statement that children, or those under a certain age, should not purchase the product, and only one game retailer (and no movie retailer) provided any content descriptor indicating the reason for the rating (*e.g.*, violence, explicit language, etc.).

By contrast, the music retailers only sometimes displayed the parental advisory label in promotions for recordings. Three of the retailers, however, provided additional information to consumers, in a readable text disclosure, that stated “explicit content” near the CDs or cassettes that consumers could purchase. Each of the music retailers also provided audio clips of the explicit recording, allowing a user of any age to listen to an excerpt of a song or songs from the recording.

#### **IV. ROLLOW REPORT ON ENTERTAINMENT INDUSTRY PRACTICES ONLINE**

Anne Rollow, a Master's Degree candidate at the John F. Kennedy School of Government, Harvard University, prepared a report for the Commission titled “Self-Regulation in the Entertainment Industry: A Study of Online Marketing and Advertising Practices for Entertainment Products with Violent Content.” Among other things, she monitored top teen sites based on demographic data received from PC Data Online (1999) and publicly available data from Media Metrix; tracked official sites for rated or explicit-content labeled products; monitored “vertical portals/content aggregator” sites;<sup>8</sup> and monitored top Internet retailers of entertainment products. Ms. Rollow conducted this research over the course of several months, from November 1999 to March 2000.

##### **A. *Movie Sites***

Ms. Rollow's research on 30 official movie sites led her to conclude that approximately two-thirds of the sites displayed the rating on the home or front page, although the rating was often positioned so that it was necessary for the user to scroll down below the page break to see it. She noted that this practice made the rating less conspicuous, for example, in cases where the user was not signaled to scroll down to view other content and could immediately click to enter the site without scrolling. She also found that “virtually none” of the sites provided content descriptors and that more often than not trailers lacked both trailer tags (*e.g.*, the “green band”

that indicates the trailer is approved for all audiences) and the movie rating itself. These findings confirm the results of the Commission's study of official movie sites: although most sites did contain the rating, none disclosed the content descriptor, and the sites were inconsistent in displaying trailer tags and rating information on trailers.

Reviewing seven movie aggregator sites operated by third parties and four online vendors, Ms. Rollow found that the aggregator sites usually did display the R rating. Because they often contained some type of critical review, these sites were more likely than the official sites to provide information advising the user about the nature of the movie's content. Like the official sites, these sites were inconsistent in displaying the rating and trailer tag when providing trailers. Although online vendors also usually displayed the R rating, the rating information was not necessarily unavoidable: because the rating information was not provided on the purchase page, users in some cases could venture onto the sites and complete the purchase without ever being notified of the movie's rating. Two movie vendors (Amazon.com and Blockbuster.com) declared that R-rated videos were not for sale to those under 18.

### ***B. Music Sites***

For the music industry, Ms. Rollow found that the practices of the 14 official sites and three aggregators that she reviewed were very similar to each other. Three of the sites displayed the parental advisory label on the image of the cover art. Most of the sites offered the opportunity to listen to samples of music from the labeled album. Because the advisory label is given to the album, not specific tracks, it is difficult to know whether the tracks selected for free download are the ones that led the recording company to label the album. Many sites offered the opportunity to purchase the music directly or through an independent vendor, but did not attempt to exclude younger consumers from the offer. Again, these figures are consistent with the Commission's own survey in finding that a minority of music sites displayed the parental advisory label, while most offered both an opportunity to purchase and an opportunity to download audio clips. Ms. Rollow also inspected five online vendors' sites; these sites did not restrict sale based on age, though three noted that labeled albums contained "explicit lyrics" or words to that effect.

### ***C. Game Sites***

Ten of the 18 official sites for electronic games showed the ESRB rating on the home page. The sites that did display the rating generally displayed it in a prominent manner, so that

the user need not scroll past the screen break to view the rating. The sites did not display the content descriptors, and many of the game video clips (or “trailers”) did not incorporate the product rating. Many sites allowed users to download trailers or even game demos – excerpts of the game that allow the user to experience game play – but did not attempt to restrict this opportunity to users over a certain age. Most of the sites provided links so that users could purchase the game, either through the publisher directly or through another vendor, and this purchase opportunity also was not restricted based on the user’s age. These data are consistent with the Commission’s study results, which found just under two thirds of the sites showing the game’s rating and only a very few showing the content descriptors.

The six game aggregator sites Ms. Rollow monitored were also inconsistent in providing rating information. Again, the sites did not provide the content descriptors, but generally did provide both game trailers and purchase opportunities without restriction or warning based on age. Game trailers did not always indicate the game’s rating; in cases where the game publisher provides the trailer directly to the aggregator, the absence of the rating on the aggregators’ trailer might fairly be attributed to the publisher. As to online vendors, Ms. Rollow took special note of two online vendors that displayed game ratings at the point of purchase and linked to the ESRB ratings. One of those vendors had declared its policy not to sell movie videos to children under 18, but had not adopted a similar policy with regard to M-rated games.

## V. CONCLUSION

The Internet is likely to be a growing medium for both *promoting* and *distributing* entertainment products. Although the Internet poses special challenges to industry in terms of limiting youth access to violent rated or explicit-content labeled material, the industry could use the Internet’s capacity to provide more information about ratings and labels, particularly given the low level of parental supervision of this medium.

Based upon the reviews described above, the following generalizations may be made about the nature of ratings enforcement online:

**Online retailers did not take steps to ensure that rated or labeled material is not sold to youth.** Many of the sites made at least some content, especially game demos and music samples, available for download to any users for free. Retailers’ reticence to inquire into the age of users or otherwise screen younger users may be based in part on privacy concerns or other reasons, but most sites did not provide any statement intended to discourage younger surfers from downloading or purchasing content.

Although some online retailers rely on use of a credit card as a proxy for age or parental consent,<sup>9</sup> this check may be less useful in the near future. New technology and child savvy marketers have spurred the creation of vehicles for children and teens under 18 to make purchases on the Internet, in many instances, independent of their parents and their parents' credit cards.<sup>10</sup> Already, Internet companies have created new ventures (combining alternative payment mechanisms with online shopping environments) that offer mostly young consumers<sup>11</sup> e-commerce options that allow them to make purchases without, in many cases, their parents' direct supervision.<sup>12</sup> Although some of these companies do strictly limit children's online purchases,<sup>13</sup> others filter out only some – but not all – age-inappropriate products,<sup>14</sup> and others offer parental control mechanisms that are imperfect.<sup>15</sup> Still others do not limit purchases by children in any way, thereby increasing the likelihood that rated or labeled material will be sold to youth.<sup>16</sup>

**Web sites were inconsistent in displaying ratings and labeling information on the Internet.** Although a movie studio may include the MPAA rating icon in print advertisements as a matter of course for submission for Advertising Administration approval, the same company may omit the rating from a Web site touting its movie. An online music retailer may have displayed the parental advisory on the picture of one CD, but may not have provided the advisory for another labeled album. Some companies disclosed ratings information prominently, but in general, companies seemed to be playing catch-up in adopting and implementing policies for disclosure of ratings information online. And, as in the offline world, most companies did not provide content descriptors.

**The Internet's potential as a mechanism for communicating ratings and labeling information remains largely untapped.** In the future, more music, movie, and game producers may take advantage of the relatively expansive space presented by a Web page, compared to traditional advertisements, to provide ratings and labeling information in a complete and useful way. When a game's rating, for example, is described only as "M," without additional description, parents who are less familiar with the rating system may not know what that rating letter means. An explanation that a game is rated M or Mature, accompanied by the game's content descriptors and a hyperlink to the ratings definitions, would likely make the information easier for parents to usefully employ. Notably, some online vendors and product sites already provide useful links to information to explain the ratings, whether at an outside source (such as the trade association's site) or an internally served ratings information page.



## ENDNOTES

1. For example, the *Children, Families and the Internet 2000* study of parents and children aged 9-17, conducted by Grunwald Associates in conjunction with The National School Boards Foundation, reported a tenfold increase in the number of children going online from 2.3 million in 1994 to 25.4 million in the fourth quarter of 1999.
2. The survey was conducted between November 15 and December 19, 1999. It may be found at [www.npr.org/programs/specials/poll/technology/technology.adults.html](http://www.npr.org/programs/specials/poll/technology/technology.adults.html) (visited Aug. 25, 2000).
3. The Henry J. Kaiser Family Foundation, *Kids & Media @ the New Millennium* 58, tbls. 46-A & 46-B (1999).
4. One measure of the substantial use of the Internet as an advertising medium is Internet advertising revenues. According to the Internet Advertising Bureau, Internet advertising revenues jumped from \$76 million in the third quarter of 1996 to \$1.2 billion in the third quarter of 1999. See Internet Advertising Bureau & PricewaterhouseCoopers, [www.iab.net/adrevenue/adrevenueindex.html](http://www.iab.net/adrevenue/adrevenueindex.html) (visited Aug. 4, 2000).
5. To date, online sales to children have been hampered by the fact that only 9% of the nation's 30 million teenagers have access to their parents' credit cards – the prime currency of the Web. See Jump\$tart Coalition for Personal Financial Literacy, *Financial Literacy Declining Among 12th Graders*, [www.jumpstartcoalition.com/upload/newscfm?recordid=60](http://www.jumpstartcoalition.com/upload/newscfm?recordid=60) (visited Aug. 7, 2000) (summarizing results of 2000 Financial Literacy Survey) [hereinafter *Financial Literacy*]; see also Jeremy Quittner, *How Can Kids Buy Stuff on the Web? Ask InternetCash*, Businessweek Online (March 7, 2000) (noting overall buying power of teens and the potentially huge market of 9 million teens who spend an average of 8.5 hours a week online but lack credit cards), [www.businessweek.com/smallbiz/0003/ep000307.htm?scriptFramed](http://www.businessweek.com/smallbiz/0003/ep000307.htm?scriptFramed) (visited July 17, 2000). But with the growth of new technologies, children's and teenagers' use of the Internet as a mechanism for purchasing entertainment media products is predicted to grow exponentially. One Internet research firm predicts that children ages 5 to 18 will account for \$1.3 billion of e-commerce dollars by 2002. See Michelle Slatalla, *How to Spend an Allowance Without Leaving Home*, N.Y. Times, Aug. 12, 1999 at G1.
6. Not all of these factors are required for compliance with the self-regulatory schemes established by the entertainment industries. The rating or labeling systems cover some of these online practices, but not others. For example, the ESRB system does not require companies to display the content descriptors on their Web Site, except on the purchase page. Also, the music labeling system currently imposes no requirements or guidelines for Internet advertisements or promotions for labeled recordings. In late August 2000, the RIAA announced its recommendation that, effective October 1, 2000, recording industry members should adopt a policy that the parental advisory label appear prominently in online retail sites in all stages of the transaction, and that online retail sites should link to the entertainment industry's Web site, [www.parentalguide.org](http://www.parentalguide.org), where more information on the rating and labeling systems may be found.

7. The electronic games retailers were: Amazon.com, Beyond.com, Checkout.com, Gamestop.com, and Toysrus.com; the products sold were five M-rated electronic games: *Resident Evil 3*, *Dino Crisis*, *Blue Stinger*, *Turok: Rage Wars*, and *Quake III Arena*. The music retailers were: Amazon.com, Bestbuy.com, CDnow.com, Towerrecords.com, and Samgoody.com (a subsidiary of Musicland). The music products were five CDs that contained explicit lyrics in their unedited versions: Metallica (*S&M*), Dr. Dre (*2001*), Korn (*Issues*), Limp Bizkit (*Significant Other*), and Nas (*Nastradamus*). The movie retailers were: Amazon.com, CDnow.com, Towerrecords.com, Reel.com (a wholly owned subsidiary of Hollywood Video) and Samgoody.com; the products included two PG-13-rated movies (*The Mummy* and *Entrapment*) and three R-rated movies (*The Matrix*, *8MM*, and *Payback*).

8. By “vertical portals/content aggregator sites,” Ms. Rollow referred to popular sites relating to entertainment content that are not maintained by the content producers, including sites IMDB, ign.com, videogames.com, mtv.com, ubl.com, mp3.com, e!online, and Hollywood online. Ms. Rollow’s report is on file with the Commission.

9. See, e.g., *Financial Literacy*, *supra* note 5 (9% of 12th graders had their own credit card, 18% used their parents’ credit card, and another 3% use both their own card and their parents’ card). Although credit cards now account for 95% of all transactions on the Web, at least one Internet consulting firm predicts that new payment mechanisms – such as cash and checking account transfers, and pre-paid and debit card arrangements – will drive down credit cards’ share of the online market to 75% of all transactions by 2003. See National Association of Recording Merchandisers, *Internet Payments: Consumer Needs and Merchant Costs Will Drive New Mechanisms*, NARM Research Briefs 4 (Jan. 2000) (citing statistics from Internet research firm Jupiter Communications). Although some of this innovation is due to consumers’ fears about privacy and security of credit card information on the Internet, much of it is due to marketers’ desire to capitalize on children’s large discretionary spending power. *Id.*

10. See generally Warren Cohen, *Less Angst for Teen Shoppers*, *The Standard*, Aug. 7, 2000, [www.thestandard.com/article/display/0,1151,17470,00.html](http://www.thestandard.com/article/display/0,1151,17470,00.html) (visited Aug. 7, 2000); Rebecca Winters, *Electronic Allowances*, *Time*, Nov. 15, 1999, at 116N; Bob Thompson, *The Selling of the Clickerati*, *The Washington Post*, § W (Magazine), Oct. 24, 1999 at 11; Bob Tedeschi, *E-Commerce Sites Target Next Generation of Buyers*, *N.Y. Times*, Mar. 29, 1999, <http://search1.nytimes.com/search/daily/bin/fastweb?getdoc+cyber-lib+cyber-lib+2799+0+wAA+A+tedeschi%7Enext%7Egeneration> (visited Sept. 1, 2000). Some of the more high profile companies include: RocketCash, ICanBuy, DoughNet, InternetCash, Cybermoola, Cobaltcard, and EPocketCash. In addition to facilitating young consumers’ ability to shop online, RocketCash, ICanBuy, and DoughNet allow children to learn about personal finances, make charitable gifts, and/or engage in banking activities online. See [www.rocketcash.com](http://www.rocketcash.com), [www.icanbuy.com](http://www.icanbuy.com), and [www.doughnet.com](http://www.doughnet.com).

11. Some sites are designed for children as young as five, while others focus on the “tween” (or pre-teen) and teen demographic. ICanBuy, which provides a high level of parental control, advertises its products to young consumers with the slogan: “No credit card? No worries. Now Teens and Kids can shop, bank & donate online.” See [www.icanbuy.com](http://www.icanbuy.com). Cybermoola, a pre-paid card company, distributes “Free Cybermoola,” at schools, shopping malls, and teen events nationwide in \$20.00 increments as part of the company’s advertising and promotional efforts.

*See It's Beginning to Look a Lot Like Christmas Online*, PR Newswire, Oct. 7, 1999 (press release), [www.cybermoola.com](http://www.cybermoola.com). Cobaltcard describes itself as “an Internet-based buying card for the online generation – young adults ages 13-22. Cobaltcard is a buying card, not a credit card, that allows members to buy online and in stores debt free.” *See* [www.cobaltcard.com](http://www.cobaltcard.com). There are also new products, such as InternetCash, a pre-paid stored value card consumers can use at about 100 online Web sites, that are intended to appeal to people other than teens. Nonetheless, young consumers are an important part of InternetCash’s market, and many of the site’s retail partners are youth-oriented. Recently, the featured merchants and products on InternetCash.com’s home page included The Sixth Sense DVD at MyVideoStore.com, Sega Dreamcast at FuncoLand, Nike Ambient Frozen Watch at Watch Station, and Skateboarding and Paintball equipment at The Sports Alternative. *See* [www.internetcash.com](http://www.internetcash.com) (visited July 17, 2000). EPocketCash is a financial product that allows consumers to make payments to Internet vendors from an account that the consumer sets up at an established bank or financial institution. Although it is not intended primarily for young consumers, an announcement on its Web site states: “Depending on local regulations, even teens can hold an EPocketCash account.” *See* [www.epocketcash.com/en/consumers/index.htm](http://www.epocketcash.com/en/consumers/index.htm) (visited Aug. 8, 2000).

12. Large online entertainment retailers like Amazon.com, Inc., CDNow, Inc., Hollywood Video (Reel.com), MTS, Inc. (Tower Records), Toys “R” Us, and Trans World Entertainment Corp., as well as smaller speciality entertainment outlets, have partnered with these new sites to sell their products to children. A preliminary assessment shows that these new mechanisms are beginning to catch on: teenagers, especially boys, increasingly are buying entertainment products such as CDs, videos, and electronic games online. *See* Tedeschi, *supra* note 10 (citing analysis by Teenage Research Unlimited).

13. ICanBuy, for example, offers several features to limit children’s purchases. It requires parental consent (and a credit card) to set up a child’s account, offers a “permissions” mechanism for parental monitoring of purchases, and provides children with access only to a modified version of its affiliated retailers’ sites, which have been screened for age-inappropriate products. For example, ICanBuy shopping retailer amuZnet offers only the edited or clean versions of stickered music recordings. *See* [www.icanbuy.com](http://www.icanbuy.com); Thompson, *supra* note 10.

14. Some of the Web sites prohibit their affiliated retailers from offering certain age-inappropriate products, such as pornography, alcohol, guns, hate literature, and labeled music recordings, but do not filter out all media with violent content or enforce their policies with retailers. RocketCash has screened out certain adult-oriented materials from its affiliated retailer sites, but still permits children access to some CDs with profane lyrics and to violent electronic games, unless their parents have put limits on certain sites and types of merchandise. *See* Steve Ginsberg, *Internet Wallets for Teens*, San Francisco Chronicle, Sept. 6, 1999, at C1 (quoting RocketCash co-founder Carol Kruse). Cybermoola encourages its participating retailers to offer only age-appropriate products, but does not monitor or guarantee that its affiliated merchants will do so. *See* Extract from Cybermoola.com Terms & Conditions, available at [www.cybermoola.com/what/termsandconditions.htm](http://www.cybermoola.com/what/termsandconditions.htm) (visited July 17, 2000):

**Age Appropriate Merchandise:** Because the Cybermoola Payment Program is directed primarily to teenagers, we ask all merchants and retailers participating in

the Cybermoola Payment Program to refrain from offering any products inappropriate for viewing, use or access by teenagers, including (without limitation) pornography, hate literature and alcohol. Be advised, however, that we do not investigate or review these sites to determine their compliance with this request, and we can not [sic] guarantee that each complies with it at all times.

15. Several site operators have implemented mechanisms such as “parent accounts” that allow parents to monitor or restrict their children’s purchases from certain retail outlets, although some of these mechanisms are imperfect. ICanBuy, RocketCash, DoughNet, and cobaltcard allow parents to set up parent memberships or accounts that permit them to oversee the purchases that their children make by screening out certain vendors or setting spending limits. But RocketCash co-founder Carol Kruse explains that not many parents have blocked their children from purchasing certain categories of products. *See* Ginsberg, *supra* note 14. And DoughNet explains that it permits “parent members to block children from purchasing or donating with specific merchants and nonprofits through our Site,” but cautions that

fundamentally, we cannot control where children go using our Site. Thus, in all cases Parent Member should either supervise its Child Members when using our Site or use parental control protections. Parental control protections (such as computer hardware, software, or filtering services) are commercially available that may help limit access to material that is harmful to minors.

*See Doughnet, Inc. Member Agreement*, available at [www.doughnet.com/m/legal.jsp](http://www.doughnet.com/m/legal.jsp) (visited Aug. 7, 2000).

16. For example, InternetCash does not provide any limits or parental control mechanisms on the products it sells to children. Indeed, InternetCash’s President and CEO touts his company’s lack of restrictions as a selling point for teenagers: “The difference between us and them [sites that require a credit card or provide a mechanism for parental supervision] is that you do not need to ask your parents for their credit card.” Quittner, *supra* note 5. He believes that, “It will ultimately be the retailer’s responsibility, if they are selling [products like pornography and guns] requiring age verification.” *Id.*