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Ringless Voicemail Service Provider Protected by Strong Ruling on Section 230 Immunity

Privacy & Cybersecurity Newsletter

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In a case that could have broad implications for telecommunications platforms, telemarketing, and privacy law, Stratics Networks Inc. (Stratics), an interactive communications software corporation offering ringless voicemail and voice over internet protocol (VoIP) services, secured a significant ruling protecting it from actions seeking to hold it liable for alleged unlawful use of its platforms by third-parties.

The U.S. District Court for the Southern District of California dismissed the Federal Trade Commission's (FTC) claims against Stratics with prejudice on March 6, 2024. In *United States v. Stratics Networks, Inc*., — F. Supp. 3d —–, 2024 WL 966380 (S.D. Cal. Mar. 6, 2024), the Department of Justice (DOJ) argued on behalf of the FTC that a Nevada-based company allegedly used Stratics' ringless voicemail service to pitch debt relief services to consumers, and that the defendants had violated the Telemarketing Sales Rule and the Federal Trade Commission Act, which prohibit unfair or deceptive acts or practices. The DOJ sought to impose massive civil penalties upon Stratics.

Stratics argued it was protected under Section 230 of the Communications Decency Act of 1996, which provides immunity to providers of "interactive computer services" from civil liability based on third-party content disseminated using providers' platforms. The critical issues were whether Stratics' platforms (1) met the definition of "interactive computer services" and (2) whether Stratics was being sued "in its role as a provider or user of a computer service" or for "conduct associated with distributing users' messages."

The court readily answered "yes" to both questions and determined Section 230 immunity applied.It held that because Stratics "transmits content" and because it "provides access to multiple users to a computer server," it is an interactive computer service. The court also found that Stratics was being sued because of the content of the messages it transmitted, and not for any conduct outside of that transmission, which the court found to be publishing that content.

The court further found that any claim the FTC and DOJ could raise against Stratics would require Stratics to review the content of the third-party messages sent over its networks, which would trigger Section 230 immunity. The court dismissed the government's claims with prejudice, denying the customary leave to replead because the government could not identify "a method that could identify problematic telemarketing voicemails and other non-telemarketing content, such as political calls, without reviewing the content of the messages."

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Locke Lord represented Stratics in this matter with the team of **Thomas Cunningham** (West Palm Beach), **Michael McMorrow** (Chicago), **Meagan Tom** (San Francisco) and **Kip Mendrygal** (Dallas).

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