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For Immediate Release

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# Popular File Sharing Site Dropbox to Pay \$2.2 Million to Settle Automatic Renewal Case

## *District Attorney Summer Stephan Announces Civil Judgment*

San Diego County District Attorney [Summer Stephan](#) announced today that her office, along with the District Attorneys of Alameda, San Francisco and Sonoma Counties, have settled a consumer protection action against Dropbox, Inc., a company that provides file sharing and other services over the Internet. The civil action was filed in Alameda County Superior Court and the judgment was signed by Judge Morris Jacobson.

Dropbox offered paid services known as “Dropbox Pro” and “Dropbox for Business.” Both services were available on an “automatic renewal” basis, meaning the subscription renewed without further action on the part of the customer, until cancellation. The complaint alleges that Dropbox violated California’s Automatic Renewal Law with respect to “Dropbox Pro,” by failing to display the automatic renewal terms in the manner required by law and by failing to get the consumer’s affirmative consent to the agreement containing those terms. As for “Dropbox for Business,” the complaint alleges that the company failed to sufficiently advise consumers that the service was intended only for organizations or businesses, not consumers using it for personal, family or household reasons (without, alternatively, complying with the Automatic Renewal Law).

**“Companies must comply with California’s laws in order to ensure that consumers understand certain transactions will renew automatically,” said District Attorney Summer Stephan. “This case is a great example of how our Consumer Protection Unit works to protect people from unfair business practices in the marketplace and ensure that California’s consumer protection laws are followed.”**

Under the terms of the court-approved judgment, \$450,000 has been set aside to administer and fund restitution to qualifying California consumers. Eligible consumers must, while residing in California, have (i) purchased “Dropbox Pro” between February 24, 2013 and August 1, 2014 without using the service more than 30 days after first paying for it; or (ii) purchased “Dropbox for Business” for personal, family or household reasons (that is, not for a business or organization) and did not use the service more than 30 days after paying for it. Other conditions also apply to refund eligibility.

Consumers who believe they are entitled to restitution should call 866-670-3373 or go to [www.DropboxRestitution.com](http://www.DropboxRestitution.com). The restitution fund will remain available for one year.

Without admitting liability, Dropbox has also agreed to pay \$1.6 million in civil penalties and \$50,000 in additional restitution to the California Consumer Protection Prosecution Trust fund, and \$100,000 to reimburse the costs of district attorneys' investigation.

Dropbox cooperated fully in the investigation and, as part of the settlement, agreed to make changes to its website to ensure compliance with the law. The Dropbox contact is Elisa Pandolfi at [elisa@dropbox.com](mailto:elisa@dropbox.com).

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**About the San Diego County District Attorney's Office**

*The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue justice and support victims daily across San Diego County. DA Summer Stephan has devoted her life to protecting children and families and providing justice to the voiceless and most vulnerable. She is a national leader in the fight against sexual exploitation and human trafficking, and has served as a Deputy District Attorney in San Diego County for 28 years.*

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