

Case 25-2c

EDU.com

EDU.com (“E” or “the Company”) is a leading global marketplace for learning and instruction. The Company operates an online learning platform that enables students to purchase online courses created by instructors worldwide (the “courses”) and access them by using E’s platform. The instructors, also known as “Course Creators,” license their courses to E to be included in the course library on E’s platform. The Company subsequently markets the course library to potential customers who can purchase and access the courses by using E’s platform through its Web site or mobile app.

The Company has legal agreements with Course Creators that are separate from legal agreements with customers. There is no direct contractual relationship between Course Creators and customers.

Contract With Course Creators

The Company signs a nonexclusive license and sales agreement with Course Creators, allowing E to display and sublicense the courses to customers. Course Creators create and submit courses that undergo a trust and safety review by E. Courses that fail this review (e.g., because of poor quality or reputational risk) are rejected. Approximately one-third of submitted courses are rejected because of quality or safety concerns. The Company also conducts a copyright review before making a course available for purchase on its platform. Therefore, E controls which courses are included in the course library for purchase on E’s platform.

Contract With Customers

Before purchasing courses and gaining access to E’s platform, customers must create a user account and agree to the E’s terms of use. Customers then enter into a separate agreement with E for each course they purchase on E’s platform (the “Access Agreement”). Customers can access their purchased courses solely through E’s platform; material can be downloaded only when Course Creators specifically allow certain content (e.g., lectures, quizzes) to be downloadable. To complete a course and receive a certificate of completion, students must perform certain actions on E’s platform (e.g., submitting quizzes).

Select course content accessed via E’s mobile app may be viewable offline but only through E’s mobile app (i.e., not via third-party apps). Courses must be completed on E’s platform. While the Access Agreement identifies E as the licensor, customers know who each Course Creator is.

Pricing

After a customer purchases a course, E pays the Course Creator an agreed-upon percentage of the sale. E may request specific courses from Course Creators but does not pay up front. Course Creators are paid in the same way they are paid for independently created courses.

E offers customers a 30-day unconditional refund. Any refunds issued are handled by E's finance team; Course Creators are neither involved nor informed and do not receive payment for refunded courses. After the 30-day unconditional refund period, E has the discretion to grant a customer a refund (e.g., for issues related to course access); however, E is still obligated to pay the Course Creator.

Course Creators may set prices in accordance with E's pricing tiers; however, 80 percent of Course Creators choose to join a marketing program in which E may adjust prices. Ninety percent of E's revenue comes from participation in this program. E can offer discounts at its discretion, which are shared with Course Creators. That is, Course Creators receive their agreed-upon percentage on the basis of the final selling price after discounts.

Course Certificates

To complete a course, students are required to perform specific activities set by the Course Creator (e.g., watching videos, answering questions, completing evaluations). Upon completion of the activities, students receive a certificate that identifies both the Course Creator and E as the course providers.

Course Removal and Access Rights

Course Creators can choose to remove a course from E's platform with 60 days' notice. Customers who purchased a course before its removal can continue to access it unless E decides otherwise; in addition, until the 60-day period expires, new customers may purchase access to a course before it is removed from the library. E does not require ongoing involvement from Course Creators to grant access to courses.

E has full discretion over granting course access. Course Creators do not receive information about the customers or the sale other than the negotiated price.

E has no editorial control over the courses that are on E's platform and thus does not guarantee in any manner the reliability, validity, accuracy, or truthfulness of the courses. Customers rely on course information at their own risk.

Customer Support and Communication

Customers may ask Course Creators questions via chat window; however, Course Creators are not obligated to respond. E has a dedicated support team that provides customers with assistance resolving issues with accessing courses. E does not hire or employ Course Creators and is not responsible or liable for any interactions between Course Creators and customers. E's liability in the event a customer has a dispute, claim, loss, injury, or damage of any kind (including (1) loss of data, revenue, profits, or business opportunities or (2) personal injury or death) that might arise from or relate to the conduct of Course Creators or customers is limited to the greater of \$100 or the aggregate of what the customer has paid to E in the last 12 months.