

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of:)	
)	
Petition of Valeant Pharmaceuticals North America, LLC for Waiver of 47 C.F.R. § 64.1200(a)(4)(iv))	GC Docket No. 02-278
)	
)	GC Docket No. 05-338
)	

**PETITION OF VALEANT PHARACEUTICALS NORTH AMERICA, LLC
FOR RETROACTIVE WAIVER**

Pursuant to the Federal Communications Commission’s rules, 47 C.F.R. §1.3, and Paragraph 30 of the Commission’s *Order*, CG Docket Nos. 02-278 and 05-338, FCC 14-164 (rel. October 30, 2014) (“*Order*”), Petitioner Valeant Pharmaceuticals North America, LLC including any and all entities merged into or acquired by it (“Valeant”), respectfully requests that the Commission grant it a retroactive waiver from compliance with 47 C.F.R. §64.1200(a)(4)(iv) (the “Regulation”), with respect to any alleged advertising faxes sent by or on behalf of Valeant with the recipient’s prior invitation or permission, but without the opt-out notice required under the Regulation.

I. Introduction

Valeant is a pharmaceutical company with a diverse product portfolio focused on branded pharmaceuticals, branded generics and over-the-counter drug products. On occasion, Valeant or third-party vendors acting on its behalf may have communicated information regarding Valeant products or services via facsimile to recipients who consented to receive the information from Valeant or its third party vendors. To the extent these facsimiles are deemed to be “unsolicited advertisements” as defined in the Telephone Consumer Protection Act (the “TCPA”) (47 U.S.C. § 227(a)(5)), and to the extent Valeant or third party vendors acting on its behalf failed to include a complete opt-out notice in such facsimile transmissions, Valeant hereby submits this Petition

requesting that it be granted a retroactive waiver from compliance with the Regulation. Since the recipients of such facsimiles had consented to receive faxes which Valeant or its third party vendors sent, Valeant did not view such faxes as unsolicited faxes.

Since the adoption of the Regulation, plaintiffs and their attorneys have seized on the controversy and uncertainty surrounding the scope and applicability of the rules regarding solicited faxes, to bring numerous class action lawsuits under the TCPA. As a result, various petitioners sought clarification on the Regulation, challenged the Commission's authority to issue the Regulation, and alternatively sought retroactive waivers of its opt-out notice requirement for solicited faxes. On October 30, 2014, the Commission released the Order addressing this confusion.¹ In response to the admitted uncertainty about whether the opt-out notice applied to solicited faxes, the Commission granted retroactive waivers to certain fax advertisement senders to provide temporary relief from any past obligation to provide opt-out notices. Since the waivers granted in the Order were limited to the listed petitioners, the Commission agreed to permit other, similarly situated entities, like Valeant, to also seek such waivers.

The Commission determined that, because of potential confusion regarding whether the opt-out language was required in solicited fax advertisements, good cause supported a retroactive waiver, and that a waiver was in the public interest.² Specifically, there is good cause to waive the Regulation with respect to recipients who have provided "prior express invitation or permission" to receive fax advertisements and where the sender was confused by the applicability of the opt-out notice requirement.³ Also, the waiver serves the public interest

¹ See *Petitions for Declaratory Ruling, Waiver, and/or Rulemaking Regarding the Commission's Opt-Out Requirement for Faxes Sent with the Recipient's Prior Express Permission*, CG Docket Nos. 02-278, 05-338, Order, FCC 14-164 (rel. October 30, 2014).

² See Order ¶¶ 26-28.

³ See Order ¶¶ 24, 28.

because it would be “unjust or inequitable” subject parties, like Valeant, to “potentially substantial damages” stemming from confusion over the Commission’s regulations.⁴ The Commission invited “similarly-situated parties” to seek retroactive waivers of the opt-out requirement with respect to solicited advertising faxes.⁵ Accordingly, a waiver is appropriate here.

II. The Current Statutory and Regulatory Framework

The TCPA and the Junk Fax Prevention Act of 2005 (“JFPA”),⁶ prohibits, under certain circumstances, the use of a fax machine to send an “unsolicited advertisement.”⁷ An “unsolicited advertisement” is defined as “any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person without that person’s prior express invitation or permission.”⁸

The Regulation states a fax advertisement “sent to a recipient that has provided prior express invitation or permission to the sender must include an opt-out notice.”⁹ In addition to the Regulation, the Commission also adopted rules implementing the JFPA.¹⁰ A footnote in the Junk Fax Order states that “the opt-out notice requirement only applies to communications that constitute *unsolicited* advertisements.”¹¹ This footnote led to industry-wide confusion regarding the Commission’s intent to apply the opt-out notice to solicited faxes sent with the prior express permission of the recipient. The Commission clarified this outstanding issue in the Order.

⁴ See Order ¶¶ 27-28.

⁵ See Order ¶30.

⁶ See Telephone Consumer Protection Act of 1991, Pub. L. No. 102-243, 105 Stat. 2394 (1991); see also Junk Fax Prevention Act of 2005, Pub. L. No. 109-21, 119 Stat. 359 (2005). The TCPA and the JFPA are codified at 47 U.S.C. 5 227 *et seq.*

⁷ 47 U.S.C. 55 227(a)(5) and (b)(1)(C).

⁸ *Id.* § 227(a)(5).

⁹ See 47 C.F.R. 5 64.1200(a)(4)(iv); see also Junk Fax Order, 21 FCC Rcd at 3812, para. 48.

¹⁰ See generally *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991, Junk Fax Prevention Act of 2005, Report and Order and Third Order on Reconsideration*, 21 FCC Rcd 3787 (2006) (the “Junk Fax Order”).

Specifically, in the Order, the Commission “confirm[ed] senders of fax ads must include certain information on the fax that will allow consumers to opt out, even if they previously agreed to receive fax ads from such senders.”¹² The Commission indicated in the Order that it is now prepared to grant additional retroactive waivers due to the previous uncertainty¹³:

[W]e recognize that some parties who have sent fax ads with the recipient’s prior express permission may have reasonably been uncertain about whether our requirement for opt-out notices applied to them. As such, we grant retroactive waivers of our opt-out requirement to certain fax advertisement senders to provide these parties with temporary relief from any past obligation to provide the opt-out notice to such recipients required by our rules.

[W]e believe the public interest is better served by granting such a limited retroactive waiver than through strict application of the rule)¹⁴

The Commission allowed other similarly situated parties to seek a waiver within six months of the release of the Order (October 30, 2014), or up to April 30, 2014.¹⁵ Valeant’s Petition is therefore timely.

¹¹ *Junk Fax Order*, 21 FCC Rcd at 3810 n.154 (emphasis added).

¹² See Order ¶ 1.

¹³ The Commission detailed the reasons for such uncertainty in the Order: “Specifically, there are two grounds that we find led to confusion among affected parties (or misplaced confidence that the opt-out notice rule did not apply to fax ads sent with the prior express permission of the recipient), the combination of which present us with special circumstances warranting deviation from the adopted rule. The record indicates that inconsistency between a footnote contained in the *Junk Fax Order* and the rule caused confusion or misplaced confidence regarding the applicability of this requirement to faxes sent to those recipients who provided prior express permission. Specifically, the footnote stated that the opt-out notice requirement only applies to communications that constitute *unsolicited* advertisements.’ The use of the word ‘unsolicited’ in this one instance may have caused some parties to misconstrue the Commission’s intent to apply the opt-out notice to fax ads sent with the prior express permission of the recipient. We note that all petitioners make reference to the confusing footnote language in the record. Further, some commenters question whether the Commission provided adequate notice of its intent to adopt [the Regulation]. Although we find the notice adequate to satisfy the requirements of the Administrative Procedure Act, we acknowledge that the notice provided did not make explicit that the Commission contemplated an opt-out requirement on fax ads sent with the prior express permission of the recipient.” See Order ¶¶ 24-25 (internal footnotes omitted).

¹⁴ See Order ¶¶ 1 and 22.

¹⁵ See Order ¶ 30.

III. The Commission Should Grant a Retroactive Waiver of Section 64.1200(a)(4)(iv) for Any Solicited Faxes Sent by or on Behalf of Valeant.

As demonstrated below, Valeant is similarly-situated to the parties who were granted retroactive waivers in the Order. As such, the Commission similarly should grant Valeant a retroactive waiver of the opt-out notice requirement of 47 C.F.R. § 64.1200(a)(4)(iv) as applied to any alleged advertising faxes sent by or on behalf of Valeant to recipients who had provided prior express invitation or permission for such faxes.

The Commission may suspend, revoke, amend, or waive any of the Commission's rules if good cause is shown.¹⁶ Generally, the Commission may grant a waiver of its rules in a particular case if the relief requested would not undermine the policy objective of the rule in question and would otherwise serve the public interest.¹⁷ Furthermore, waiver is appropriate if special circumstances warrant a deviation from the general rule and such deviation would better serve the public interest than would strict adherence to the general rule.¹⁸ As shown, both rationales apply.

First, a grant of the requested waiver is in the public interest. The TCPA and the Commission's TCPA rules are intended "to allow consumers to stop unwanted faxes."¹⁹ That purpose is not served where, as here, the recipients of the faxes had given permission to Valeant or its third party vendors to send a fax advertisement, and importantly, were capable of contacting Valeant for purposes of opting out of future fax communications. In light of the Commission's *admitted* lack of clarity as to the scope/applicability of the Regulation, the grant of a waiver would better serve the public interest than the strict adherence to the rule.

¹⁶ 47 C.F.R. § 1.3; *see also* 47 C.F.R. § 1.925(b)(3)(i)-(ii).

¹⁷ *See* Order ¶23; *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969).

¹⁸ *See* Order ¶23; *Ne. Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

¹⁹ Junk Fax Order ¶ 48.

Moreover, denial of the waiver would be inequitable and could impose unfair liability on Valeant based upon confusion as to the meaning of the Regulation and claims that Congress never intended to create. Such a waiver is also in line with the stated purpose of the Order. The Commission made it clear that the avoidance of civil liability to businesses that may have inadvertently violated the Regulation trumps the public interest to consumers to recover under the TCPA when it expressly stated that:

The record in this proceeding demonstrates that a failure to comply with the rule—which as noted above could be the result of reasonable confusion or misplaced confidence—could subject parties to potentially substantial damages[. . .] This confusion or misplaced confidence, in turn, left some businesses potentially subject to significant damage awards under the TCPA’s private right of action or possible Commission enforcement. We acknowledge that there is an offsetting public interest to consumers through the private right of action to obtain damages to defray the cost imposed on them by unwanted fax ads. On balance, however, we find it serves the public interest in this instance to grant a retroactive waiver to ensure that any such confusion did not result in inadvertent violations of this requirement while retaining the protections afforded by the rule going forward.²⁰

The public interest would also be harmed by requiring parties like Valeant to divert substantial resources and staff away from ordinary business operations to resolve unnecessary litigation efforts stemming only from uncertainty over the Commission’s regulations. Further, absent a waiver, Petitioners could be subjected to substantial statutory damages for allegedly failing to comply with a rule that the Commission has determined was the subject of confusion. Similarly, the Commission should also seek to deter parties from abusing its rules for private gain. Accordingly, Valeant respectfully submits that the public interest would be served by the granting of its Petition for a retroactive waiver from compliance with the Regulation.

²⁰ Order ¶ 27 (internal footnotes omitted).

IV. Conclusion

For the reasons stated above, Valeant respectfully requests that the Commission grant it a retroactive waiver from compliance with Section 64.1200(a)(4)(iv) for any solicited fax or fax sent with the consent of the recipient, which was sent by or on behalf of Valeant.

Dated: April 28, 2015

Respectfully submitted,

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