

False Advertising Claims on Increase in Cyberspace

Cases involving alleged false advertising in cyberspace increased significantly in number in the past year, but success has been limited according to a legal survey article by Cheryl Dancey Balough.

The article noted that “courts have recently found in favor of companies complaining of false advertising when a competitor’s website contains false or misleading statements. On the other hand, not all courts are willing to conclude that similar statements in blog posts or pseudonymous reviews constitute false advertising given concerns about the true identity of posters and a lack of clarity regarding the credence consumers give to such posts and reviews.”

The article also found that recent class action complaints by consumers alleging false advertising on company websites have yielded mixed results. However, the article noted that Federal Trade Commission has more success in reaching settlements in both internet and mobile application cases.

The article appears in the current issue of *The Business Lawyer* published by the American Bar Association’s Section of Business Law. The article, “A Survey of False Advertising in Cyberspace,” is based on a survey of cases from mid-2011 to mid-2012.

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