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In This Issue:

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Honors and Awards

2011 *Chambers USA*
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News**FTC, Reebok Reach \$25 Million Toning Claims Settlement**

The Federal Trade Commission announced yesterday that it reached a settlement with Reebok to resolve charges that the company made unsubstantiated claims in advertisements for the company's toning shoes and toning apparel. Under the \$25 million deal, Reebok will pay money into an escrow account that will be used to refund money to consumers who purchased the products.

"[We're here] to remind advertisers big and small that they must have adequate proof for the claims they make in their ads," said David Vladeck, director of the FTC's Bureau of Consumer Protection, during the press conference announcing the settlement.

In a statement to Ad Age, Reebok said "...In order to avoid a protracted legal battle, Reebok has chosen to settle with the FTC. Settling does not mean we agreed with the FTC's allegations; we do not."

[Go here](#) to read coverage of the settlement in Ad Age.

[Go here](#) to view the FTC's press release announcing the settlement.

Florida AG Secures \$800,000 "Free Offers" Settlement With Internet Marketer

On Tuesday, the Florida Attorney General announced an \$800,000 deal with Internet marketing company SubscriberBASE Holdings, Inc to settle charges related to the company's marketing practices. The Attorney General's office alleged that the company did not clearly and conspicuously disclose all terms and conditions of the "free" offers the company marketed via search engines, a popular social media site and other Internet sites. The settlement also addresses alleged violations, by the company and third parties acting on its behalf, of the Federal CAN-SPAM Act.

Under the agreement, SubscriberBASE must:

- disclose and prominently display all necessary terms and conditions in all Internet-based advertisements, including email;
- indicate that terms and conditions apply in conjunction with any use of language that suggests that an item is "free," that the consumer will be given anything of value in return for trying or testing a product, or that the consumer will receive anything of value in exchange for a purchase at any online or offline location;
- develop a feature that allows users to track their progress toward completion of an offer;
- not require consumers to qualify for a credit card or other credit-based offer as a necessary condition of completing the gift fulfillment requirements without clearly and conspicuously disclosing the requirement; and
- pay \$800,000 to the Attorney General's office to cover costs of the investigation.

[Go here](#) to view the Attorney General's press release and access the settlement agreement.

Plaintiffs' Attorneys File Second "All Natural" Class Action

On Wednesday, a federal class action was filed in Los Angeles accusing Naked Juice of false advertising because the company advertised its products as "100% juice," "all natural," and "non-GMO."

The plaintiffs' contend the company intentionally misleads consumers to give them "the false impression that the beverages' vitamin content is due to the nutritious fruits and juices, rather than the added synthetic compounds..."

The class seeks compensatory and punitive damages and an injunction preventing Naked Juice from stating that its products are "100 percent juice," "all natural" and contain no genetically modified organisms.

The counsel to the class, Yvette Golan of the Golan Law Firm (Houston, TX) and Shirish Gupta of Flashpoint Law (San Mateo, CA), filed a similar class action suit in August 2011 in which the Kellogg Company and its Kashi brand were named as defendants.

[Go here](#) to view the complaint in the Naked Juice case.

Upcoming Events

NAD Annual Conference 2011 - New York City

October 3-4, 2011

Thomas A. Cohn will be speaking on social media issues including burgeoning issues such as publicity rights, blogs, branded entertainment, endorsements and testimonials as well as providing guidance on understanding regulatory developments and best practices.

ERSP Advertising Week Summit - New York City

October 6, 2011

Thomas A. Cohn will be speaking at this event.

NCN at SupplySide West - Las Vegas

October 11, 2011

Todd A. Harrison will be speaking at this event.

ACC Annual Meeting - Denver

October 23-26, 2011

Emilio W. Civitanes, Stuart P. Ingis, James E. Nelson, Melissa L. Steinman and **Jeffrey S. Tenenbaum** will present sessions at the meeting.

ACI Social Media - New York City

October 26-27, 2011

Roger A. Colaizzi will be speaking at this event.

33rd Annual PMA Marketing Law Conference - Chicago

November 15-16, 2011

Thomas A. Cohn, Claudia A. Lewis, Roger A. Colaizzi and **Melissa L. Steinman** will present sessions at the conference.

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