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# Am I liable for a blogger's review of my products?

Why should companies care about claims being made about their products in social media? According to advertising law expert Andrew Lustigman, companies should care because there is potential liability surrounding those claims.

Lustigman, speaking at "Copyright, Trademark and Advertising in New Media," during the 25th Annual Intellectual Property Law Conference of the Section of Intellectual Property Law,



explained that <u>quideline changes from the Federal Trade Commission</u> in December expand what constitutes a "material connection" between an advertiser and endorser.

Companies that pay or provide free product to people who write about their products online, must disclose the material connection between the two parties to consumers, if there is a direct or indirect relationship. Moreover, companies with a material connection to someone who posts his opinions on their products are liable for what that person posts, under section 5 of the Federal Trade Commission Act—even when the post in question is a product review or an opinion on a message board.

The change addresses companies' increasingly common practice of encouraging third-party reviews of their products to stoke word-of-mouth buzz. While the FTC guideline was obviously adopted to protect consumers, Lustigman expressed concern that the online community is being singled out by the FTC.

"If an online blogger makes a statement and there's some situation where that person gets some product for free, the person is an endorser. But in traditional media, even though a reviewer may get expensive equipment to write about and keep, there's no obligation to disclose that material connection," explained Lustigman.

In addition to disclosing a material connection, companies must also make sure that people making the endorsements are legitimate users of the product they are reviewing and that claims made about product are reasonably substantiated. "You can't say something indirectly [through a testimonial] that you couldn't say yourself directly," said Lustigman.

"It's very important that you put into place procedures in which you are monitoring what is being said by others about your company and your company's products," urged Lustigman. Companies that locate material that fits the FTC definition of a testimonial should take corrective action, which may include training online posters on the rules.

In addition to the FTC rules on testimonials, the session featured other online intellectual property concerns, including trademark infringement on social media websites.

Besides Lustigman, the panel featured Matthew Asbell of Ladas and Parry, LLP, Matt Robinson of Attributor, Inc., Mike O'Donnell of iCopyright and Maria Pallente of the U.S. Copyright Office.

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