

FTC Conducts First Investigation Under New Blogging Regulations

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Federal Trade Commission guidelines require that a blogger engaged in "word of mouth" marketing of products or services disclose any payments or free products received by the blogger. The FTC recently concluded its first investigation under the guidelines. The agency looked into Ann Taylor Stores Corporation's LOFT Division providing gifts to bloggers who attended a January, 2010 preview of the LOFT's Summer 2010 collection. Ultimately, the FTC did not recommend an enforcement action against the company at this time given the following factors: (a) there was only a single preview event; (b) only a small number of bloggers posted content about the preview and many of them disclosed the receipt of the gift; and (c) the company adopted a written policy in February, 2010 that any gifts provided to bloggers be conditioned on the blogger's agreement to disclose receipt of the gift in the blog.

The FTC is now undertaking investigations to enforce these blogging regulations. If your organization engages in promotional blogging, either directly or indirectly, awareness of and compliance with the guidelines is essential -- violations can result in the imposition of fines, injunctive relief and damages. Review the FTC closing letter to Ann Taylor.

For more information about legislation or litigation involving technology, intellectual property protection of information technology assets or any other Information Technology law issue, contact your Miller Canfield attorney or Kathy Ossian, Leader of our Information Technology Team, or call her direct at 313.496.7644.