

Public Relations Firm to Settle FTC Charges that it Advertised Clients' Gaming Apps Through Misleading Online Endorsements

AUGUST 27, 2010

Yesterday, the Federal Trade Commission ("FTC") announced that a settlement with the public relations agency, Reverb Communications, over charges that it engaged in deceptive advertising when its employees posted reviews of its client's products on iTunes, posing as ordinary consumers without disclosing that the reviews were written by paid employees. Although the FTC investigated clothing manufacturer Ann Taylor earlier this year relating to similar issues, this is the first FTC settlement relating to its revised Endorsement and Testimonial Guidelines issued in December '09. According to the FTC complaint, Reverb and its owner, Snitker, posted reviews about their clients' games at the iTunes store using account names that gave readers the impression the reviews were written by disinterested consumers. Reverb and Snitker did not disclose that they were hired to promote the games and that they often received a percentage of the sales, which the FTC alleged would have been relevant to consumers who were evaluating the endorsement and deciding whether to buy the gaming applications. Under the proposed settlement order, Reverb and Snitker are required to remove any previously posted endorsements that misrepresent the authors as independent users or ordinary consumers, and that fail to disclose a connection between Reverb and Snitker and the seller of a product or service. The agreement also bars Reverb and Snitker from misrepresenting that the user or endorser is an independent, ordinary consumer, and from making endorsement or user claims about a product or service unless they disclose any relevant connections that they have with the seller of the product or service.

Tip: Companies or their agencies cannot have their employees or others contacts they request blog about the company's products without disclosing their connection to the company.

1 Min Read

Related Capabilities

Intellectual Property

Advertising Litigation

Privacy & Data Security

Related Professionals



Jennifer Golinveaux



Becky Troutman



Michael Elkin