

FTC Closes an Investigation Involving Reviews by Employees

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September 18, 2014

In previous posts, we've noted that if a person who writes a review about a product has a connection to the company that makes the product, that connection should be clearly disclosed. The types of connections that trigger this disclosure requirement include things such as payments, free products, and, of course, employment.

According to press reports, on at least two occasions, Yahoo employees posted positive reviews of Yahoo apps in the iTunes app store without disclosing their affiliation with Yahoo. The FTC learned about this, and contacted Yahoo to inquire about what had happened.

After an investigation, the FTC decided not to pursue the case, for four key reasons: (1) only a small number of employees reviewed Yahoo apps without disclosing their affiliation; (2) it didn't appear that Yahoo had encouraged employee to write the reviews; (3) the apps were free and didn't include in-app purchases; and (4) Yahoo committed to improve its social media policy and to more actively inform employees of the policy.

If you haven't thought about your company's social media policy recently, you may want to do that. As a general matter, you shouldn't encourage employees to review your products. (Some companies have gotten into trouble when they encouraged reviewers to pose as independent consumers.) You should also make sure your employees know that if they do decide to review your products on their own, they must disclose that they are employed by you.