

# Practical Law The Journal Interviews Partner Gonzalo E. Mon on Effective Social Media Policies

February 1, 2012

In the "GC Agenda" section of *Practical Law The Journal*, partner Gonzalo E. Mon discussed the importance of maintaining and enforcing an effective social media policy for companies advertising with testimonials or endorsements on the internet.

A recent ruling by the FTC in which it did not pursue enforcement action against Hyundai Motor America underscores this issue. The FTC had initiated an investigation after one of Hyundai's marketing agencies gave bloggers gift certificates to encourage comments and favorable reviews on ads Hyundai was preparing to use. Although providing incentives is allowed, some of the bloggers failed to disclose receiving the gift certificates, violating the FTC's Guidelines on Testimonials and Endorsements.

Mr. Mon noted that while advertisers are legally responsible for the actions of those working directly or indirectly for them, the FTC noted the presence of a social media policy and remedial action as the primary reasons it did not pursue an enforcement action. Companies should maintain and enforce a social media policy that requires marketers to disclose when they receive any compensation for their testimonial, ensure that its marketers understand the company's social media policy, and monitor all advertising campaigns and take remedial action when necessary.