

Trampoline Sellers Settle FTC Charges Over Alleged Fake Logos, Websites and Reviews

The Bottom Line

- *As evidenced by the FTC's action against the Le brothers, companies should not use fake review sites or misleading third-party endorsements or seals to sell their products or disparage competing products.*
- *Instead, they should clearly and conspicuously disclose material connections that consumers would not expect and comply with the FTC's Endorsement Guides.*

Two California-based brothers agreed to settle Federal Trade Commission (FTC) charges arising from their efforts to market and sell trampolines through allegedly deceptive online endorsements and misleading review websites.

The FTC's Allegations

The FTC contended that Son "Sonny" Le and Bao "Bobby" Le sold Infinity and Olympus Pro trampolines on three websites that displayed logos of the Trampoline Safety of America, Bureau of Trampoline Review and Top Trampoline Review. These three logos linked to their respective websites, which purported to give prospective purchasers objective information about trampolines, including unbiased expert reviews of specific brands and models, and ratings based on safety, performance and other attributes. For example, the Trampoline Safety of America website described itself as "a third-party organization involved in studying the technical aspects of all the major trampoline sites in America" comprised of structural engineers, trampoline gymnastic coaches and professionals whose goal was to educate the public about "the safeties of trampolines."

According to the FTC, the product reviews on these three websites – including representations that the Infinity and Olympus Pro models were "four of the best trampolines available on the market today" – appeared to reflect the opinions of impartial experts, including trampoline experts, certified trampoline experts, professional trampoline installers, structural engineers, mechanical engineers, gymnastic experts, trampoline gymnastics coaches and former gymnasts, when they were not.

The FTC claimed that the Trampoline Safety of America, Bureau of Trampoline Review and Top Trampoline Review were not independent organizations providing objective information about the safety and performance of trampolines but, rather, had been created and controlled by the Le brothers as part of their advertising campaign to promote the sale of Infinity and Olympus Pro trampolines.

The FTC also contended that, in connection with their online advertising, promotion and sale of Infinity and Olympus Pro trampolines, the Le brothers represented that those trampolines had been tested and approved by independent third-party organizations, when that was not the case.

The FTC also claimed that Bobby Le posted online reviews that appeared to be written by ordinary consumers, which praised the Le brothers' products and disparaged competitors without disclosing Bobby Le's financial interest in promoting Infinity and Olympus Pro trampolines. For example, the FTC alleged that Bobby Le wrote the "Trampoline Mom" blog, which featured comments endorsing the Le brothers' products, as well as a YouTube comment that criticized a competitor by claiming that the competitor's product was "crap" that rusted in two years.

The Settlement

The Le brothers agreed to settle the FTC's charges that they had deceptively marketed and sold their trampolines in violation of Section 5(a) of the FTC Act. As part of that settlement, the Le brothers agreed to "clearly and conspicuously" disclose any unexpected material connections between themselves and any reviewer or endorser of their products.

The settlement also provides that, if the Le brothers review a product that they sell or that competes with one they sell, they must "clearly and conspicuously" disclose that fact as well. The Le brothers further agreed that, if they suggest that a product is endorsed by an independent organization, the representation must be truthful and non-misleading.

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