

COLUMNS

The legalities of online customer reviews for luxury brands

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By A LUXURY DAILY COLUMNISTBy **Rania V. Sedhom**

Online reviews have evolved.

"Buyer beware" has never been so important as that term relates to online reviews. Most consumers scour the internet for product reviews prior to making a purchase.

Even when consumers are intimately familiar with a brand like Chanel, LV, Celine or Jacquemus, consumers read about others' impressions of a product. However, are the online reviews they are reading fake?

Are they purchased? How about influenced?

Government guidance

The FTC created a rule making certain online review practices illegal. Six practices are prohibited: the first? Creating, selling, or using fake reviews.

Chat GPT and other AI are being used for a host of things, including online product reviews. A consumer utilizing AI to help it draft a review may be fine, but using AI to create a review for someone who does not exist or for someone who did not purchase or use a product is not allowed.

Second, the agency deems borrowing reviews an improper practice. Some companies have been known to repurpose a review.

In other words, they receive a review for one product and now a substantially similar review appears for a different product.

Powerful influences

Next is buying reviews. Brands may not pay or incentivize consumers to provide specific feedback, be it positive or negative.

While using influencers is ok, advising influencers what to say or whether they should like a product is not. The use of influencer marketing is always a topic for robust discussion.

For example, is the Gucci Horsebit Chain bag liked by influencers or did influencers feel obligated to love the bag when they were gifted it?

Fourth up, the FTC is taking a stand against those failing to disclose the relationship of the reviewer. Employee or employee relatives who endorse a product must advise consumers of their relationship to the brand or the review will be run afoul of the FTC law.

Fifth is distorted or confusing consumers about review websites -- brands cannot state that a website they control or operate has independent reviews if the reviews are related to their own products or services -- and, finally, suppressing reviews because they are negative is ruled out.

Proceed with caution

Brands cannot remove or suppress reviews that are negative. They can, however, delete reviews that contains confidential or private information, is defamatory, harassing, racist, sexually explicit, sexually explicit or otherwise illegal, is unrelated to the company's products or services or is clearly false or misleading.

Luxury brands who "manage" reviews should proceed with caution.

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