

**GEORGE MASON UNIVERSITY
SCHOOL OF LAW
LAW 495**

**FALL 2003
D. REED FREEMAN, JR.**

COURSE SYLLABUS WEEKS 3-6

WEEK 3

FEDERAL TRADE COMMISSION - Advertising Substantiation

In this session, we will explore advertisers' obligation to have a "reasonable basis" for their objective claims. We will focus on the FTC's Policy Statement on Advertising Substantiation and the cases the FTC has brought under it.

READING:

1. **FTC Policy Statement on Advertising Substantiation**
<http://www.ftc.gov/bcp/guides/ad3subst.htm>
2. In the Matter of Prizer, Inc., 81 F.T.C. 23 (1972).

WEEK 4

FTC TRADE REGULATION RULES AND GUIDES

In this session, we will survey the FTC's rules and guides governing advertising and marketing, with an emphasis on the rules and guides with general application.

READING:

1. Application of Guides in Preventing Unlawful Practices, 16 C.F.R. Part 17.
2. Guides Against Deceptive Pricing, 16 C.F.R. Part 233.
3. Guides Concerning the Use of Endorsements and Testimonials in Advertising, 16 C.F.R. Part 255.
4. Use of Prenotification Negative Option Plans, 16 C.F.R. Part 425.

WEEK 5

FEDERAL TRADE COMMISSION – Investigations, Law Enforcement Actions and Liability

This session will focus on the Federal Trade Commission's authority to investigate individuals and commercial entities and to bring law enforcement actions before an Administrative Law Judge pursuant to the Administrative Procedures Act and in federal court pursuant to Section 13(b) of the Federal Trade Commission Act. We will also discuss liability under the FTC Act for commercial entities, individuals, advertising agencies, parents and subsidiaries, successors and assigns, companies and individuals engaged in a "common enterprise," and individuals and commercial entities that provide the "means and instrumentalities" to violate the FTC Act.

READING:

1. **Rose and Freeman, Advertising Law Guide (CCH) ¶¶ 460-485, 520-545**
(All Advertising Law Guide readings will be handed out in class).

WEEK 6

FEDERAL TRADE COMMISSION – Remedies

In this session, we will look at the various remedies available to the FTC in false advertising cases, including injunctive relief, civil penalties, consumer redress, disgorgement of profits, corrective advertising and consumer education.

READING:

1. **Rose and Freeman, ¶¶ 560-590**