



United States of America
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Division of Advertising Practices

Mary K. Engle
Associate Director

September 3, 2014

Marc J. Zwillinger, Esq.
ZwillGen PLLC
1900 M Street, NW
Suite 250
Washington, DC 20036

Re: Yahoo App Reviews, FTC File No. 142-3092

Dear Mr. Zwillinger:

As you know, the staff of the Federal Trade Commission's Division of Advertising Practices has conducted an investigation into whether your client, Yahoo, Inc., violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, in connection with Yahoo employees posting favorable reviews of Yahoo's mobile apps without clearly and conspicuously disclosing their relationships to the company.

As reported in the press, on at least two occasions, Yahoo employees posted positive reviews of Yahoo apps in the iTunes app store without disclosing their affiliation with Yahoo. These app reviews were endorsements of Yahoo's products. Section 5 of the FTC Act requires the disclosure of a material connection between a marketer and an endorser when their relationship is not otherwise apparent from the context of the communication that contains the endorsement. Although, when these reviews were posted, Yahoo had a social media policy in place that called for employees to disclose their status when they reviewed Yahoo apps, we were concerned that employees were not adequately informed of the policy.

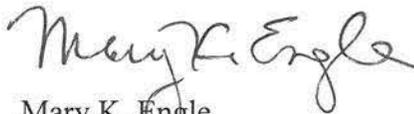
Upon review of this matter, we have determined not to recommend enforcement action at this time. We considered a number of factors in reaching this decision. First, it appears that only a very small number of Yahoo employees reviewed Yahoo apps without disclosing their affiliation. Second, it does not appear that Yahoo encouraged or otherwise incentivized any of these employees to write these app reviews. Third, the apps at issue were free and did not include in-app purchases. Finally, Yahoo has committed to improve its social media policy and to more actively inform its employees of the policy.

Our decision not to pursue enforcement action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be

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construed as a determination that a violation has occurred. The Commission reserves the right to take further action as the public interest may warrant.

Very truly yours,

A handwritten signature in black ink that reads "Mary K. Engle". The signature is written in a cursive style with a large, looped initial "M".

Mary K. Engle
Associate Director for Advertising Practices