



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

Division of Advertising Practices

Mary K. Engle
Associate Director

March 20, 2014

Christie Grymes Thompson, Esq.
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Washington, D.C. 20007-5108

Re: Cole Haan, FTC File No. 142-3041

Dear Ms. Thompson:

As you know, the staff of the Federal Trade Commission's Division of Advertising Practices has conducted an investigation into whether your client, Cole Haan, Inc., violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, in connection with its Wandering Sole Pinterest Contest.

The contest rules instructed contestants to create Pinterest¹ boards titled "Wandering Sole." The contest rules further required that a board include five shoe images from Cole Haan's Wandering Sole Pinterest Board as well as five images of the contestants' "favorite places to wander." Finally, contestants were instructed to use "#WanderingSole" in each pin description. Cole Haan promised to award a \$1,000 shopping spree to the contestant with the most creative entry.

We believe that participants' pins featuring Cole Haan products were endorsements of the Cole Haan products, and the fact that the pins were incentivized by the opportunity to win a \$1000 shopping spree would not reasonably be expected by consumers who saw the pins. Moreover, we were concerned that Cole Haan did not instruct contestants to label their pins and Pinterest boards to make it clear that they had pinned Cole Haan products as part of a contest. We do not believe that the "#WanderingSole" hashtag adequately communicated the financial incentive – a material connection – between contestants and Cole Haan.

¹ Pinterest is a social media site where users can save and organize images known as "pins" in collections known as "boards." Pinterest users may "follow" other Pinterest users, and the Pinterest home page displays a chronological "feed" of pins from boards and pinners that the user has chosen to follow. Also, users can run searches for pins by entering search terms. All Pinterest boards are public by default.

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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. Under the circumstances set out above, entry into a contest to receive a significant prize in exchange for endorsing a product through social media constitutes a material connection that would not reasonably be expected by viewers of the endorsement.

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, we have not previously publicly addressed whether entry into a contest is a form of material connection, nor have we explicitly addressed whether a pin on Pinterest may constitute an endorsement. Second, the contest ran for a limited length of time and drew a relatively small number of contestants. Finally, Cole Haan has since adopted a social media policy that adequately addresses our concerns. The FTC staff expects that Cole Haan will take reasonable steps to monitor social media influencers' compliance with the obligation to disclose material connections when endorsing its products.

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 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,



Mary K. Engle

Associate Director for Advertising Practices