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## **Are You Following the Federal Laws for Advertising Your Business?**

Advertising is one way to get new customers. For some businesses, it is the main method they use. If your business looks for customers in more than one state, you need to be familiar with the advertising laws in your state and every state in which you have a presence. There are also federal laws that all businesses, in every state, must comply with.

The federal government has passed laws that rein in what your business can do and say in an advertisement in an attempt to protect consumers. Many of these laws stem from the idea that you can't lie about your product or service or be deceptive by leaving out important information.

The Federal Trade Commission (FTC) is the agency which enforces the laws passed by Congress. The FTC has a whole division, called the Division of Advertising Practices, that can force you to stop your advertising campaign, assess fines and penalties if you fail to stop, and force you to put on a new advertising campaign correcting your claims from the campaign that they deem unlawful.

The federal laws on advertising generally come down to these general issues:

1. Your ad must be truthful and non-deception. This means that you can't mislead consumers. Your statements that are dishonest must be material to the decision of the buyer to purchase your product or service.
2. If you make a specific claim about your business or service, you must have evidence to back up that claim. Provide concrete examples that back up your claims. You can use expert testimony or testimonials from customers. If you have conducted tests with your product, you can use the results of your testing.
3. Your ad cannot be unfair, meaning the advertisement can cause substantial injury to consumers that consumers can't reasonably avoid. This means that a consumer cannot suffer economic loss by using your product or service. And the loss cannot be outweighed by any benefit from using your product or service. The wording in your ad is crucial in meeting the standards that have been set to evaluate whether your ad is classified as unfair. Just as important as the words that you use in your ad are the words that you do not use. If you leave out important information, your ad becomes deceptive which is a form of unfairness.

Don't forget that words on the internet are considered advertising (the definition of advertising is very broad). What language you put on your website is also subject to the

laws on advertising. And if you are selling someone else's products or services, you are responsible for their advertising claims as well.

Robin M. Gronsky, Esq. is the owner of Gronsky Law Office in Ridgewood, New Jersey. If you think you need a small business check-up, contact her by telephone at: 201-251-8001 or by e-mail at: [Robin@Gronskylaw.com](mailto:Robin@Gronskylaw.com). For more information about the different services that Gronsky Law Office provides to small business, go to: <http://www.Gronskylaw.com>.