Negociando con influencers / Negotiating with influencers





Allison Rothman Founding Partner at

ROTHMAN IP











Influencers?





Ad Campaigns Incorporating Influencers Must Follow FTC and State Law/Guidance

- Influencers = Individuals who typically have large online/social media followings and use endorsements/brand mentions to promote various products and services—may or may not be celebrities.
- How are brands and agencies interacting with influencers now and what are their legal responsibilities?
- Who is regulating?
 - FTC has challenged influencer advertising from multiple angles and is currently updating guidance, as well as general rules on disclosures and specific rules for various types of content.
 - State Attorneys General
 - Multidistrict Investigations and Actions
 - In Some States, District Attorneys
 - National Advertising Division of the Better Business Bureaus National Programs
 - Class Actions and Private Litigation
 - Consumer Groups (e.g., TINA)

Rules of the Road: FTC Endorsements and Testimonials Rule



Part IV

Federal Trade Commission

16 CFR 255

Guides Concerning the Use of Endorsements and Testimonials in Advertising Federal Acquisition Regulation; Final Rule

§ 255.5 Disclosure of material connections.

When there exists a connection between the endorser and the seller of the advertised product that might materially affect the weight or credibility of the endorsement (*i.e.*, the connection is not reasonably expected by the audience), such connection must be fully disclosed.

Rules of the Road

ASIPI

- Be transparent, not deceptive.
- All claims you make (express and implied) must be truthful, substantiated and typical;
- If you can't say or do it yourself, people should not say or do it for you;
- No hiding: Any connection with the brand by the person posting must be disclosed;
- Social media must play by the same rules as other advertising media.



FTC Influencer Regulation Update



Influencer Regulation Timeline

May 19, 2022: FTC Releases Proposed Updated

Endorsement Guides

May 19-July 19, 2022: Comment Period for Updated

Endorsement Guides

June 3, 2022: FTC Unexpectedly Announces Request for

Comments for .Com Disclosure Guide

June 3-Aug 2, 2022: Comment Period for .Com Disclosure Guide

Oct 19, 2022: FTC Virtual Event: Online Advertising

and Children

Oct 19-Dec 19, 2022*: Comment Period for Advertising and Children

QI or QII 2023*: FTC Releases Updated Endorsement Guides

*: Anticipated

Source: FTC, PRNEWS research



Is there any regulation related to influencers in Mexico?

Competent Authorities

- PROFECO (The Mexican Consumer Protection Agency).
- ASIPI

- COFEPRIS (Mexican FDA).
- IMPI (Mexican IP Office).
- INDAUTOR (Copyright Office)
- FGR (Mexican Attorneys General Office).
- COFECE (Antitrust Commission)
- Civil Courts
- CONAR (Council for Self-Regulation and Advertising Ethics)



FYRE FESTIVAL

HOW TO OVERPROMISE & UNDER DELIVER



FYRE STARTERS

To ignite the Fyre Festival we compiled 400 of the most influential personalities globally to launch a coordinated influencer marketing campaign.

On Monday, December 12th at 5pm an ambiguous orange tile was posted to the below accounts reaching over 300mm people in 24 hours.

THESE AMBASSADORS STAND AS PART OF, AND REPRESENTATIVE OF, THE FYRE TRIBE.

They are **key personalities** to lead the attendance of an influential audience at the Fyre Festival around the world and therefore your potential brand partners.



72.5m followers 6.3m likes



10.6m followers 48k likes



9.7m followers 94k likes



7.8m followers



8.6m followers 56.1k likes



885k followers 14.6 likes



7.6m followers 21 k likes



Mick Bateman
6m followers
34k likes



Yovana Ventura 4.7m followers 6.7k likes



Bella Thorne 14.8m followers 4.5k likes



Marcus Butler 3.6m followers 39.2k likes



3.2m followers 19.2k likes



Jen Selter 10.5m followers 5k likes



Paulina Vega 2.7m followers 5.5k likes







88.1k likes

bellahadid CANT wait for #FyreFestival Coming soon 2 / fyrefestival.com

view all 457 comments

conphection @amandafumba why so sure?

amandafumba Its because I looked at this site which has all the international festivals and parties. And also Fyre is going to be the new Coachella. And the tickects are in computer tickect @conphection

conphection @amandafumba let's hope

bexs_b @_theycallmesanaa 💝 🤝



jackbassrose 🌆

azizovo Channel orange

badaraofficial



otaviano_douglas Bacana 💖



crave.her_ The Weeknd singing covers on my videos .. more soon



THE \$275,000 POST







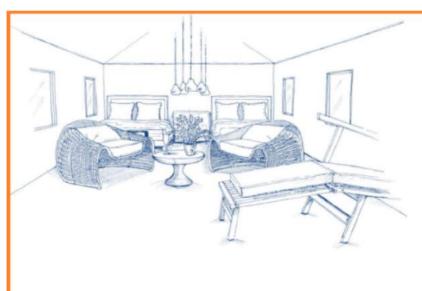
7,536,075 views · Liked by justineskye

kendalljenner So hyped to announce my G.O.O.D. Music Family as the first headliners for @fyrefestival. Get tix now at fyrefestival.com. VIP access for my followers... use my promo code KJONFYRE for the next 24 hours to get on the list for the artists and talent afterparty on Fyre Cay. #fyrefestival

View all 30,414 comments

LUXURY ACCOMODATIONS AS MARKETED





THE DUO

A boutique housing option for traveling in pairs that includes a two twin beds and elevated amenities. The Double comes with two tickets per reservation.

X

Round-trip flights between Miami & Fyre Cay



2 Tickets to Fyre Festival



2 Twin Beds

Upgrades available

VIP tickets include upgraded food and access to VIP areas and events

Special Request? Email us

ACTUAL ACCOMODATIONS ASIPI





FOOD



SWIMMING PIGS

29. In addition to the substandard accommodations, wild animals were seen in and around the festival grounds:



GERGOS & GERGOS, APC
HSTORCENECO NO. 28
644 SOUTH FIGUREOA STREET
12
ANORTHS. CALPORING 80077-3411
12
14
19
19





Influencer Categories

- Nano-influencers: less that 10,000 followers
- Micro-influencers: 10,000 to 100,000 followers
- Macro-influencers: 100,000 to 1,000,000 followers
- Mega-influencers: more than 1,000,000 followers

Kim Kardashian and Ethereum Max

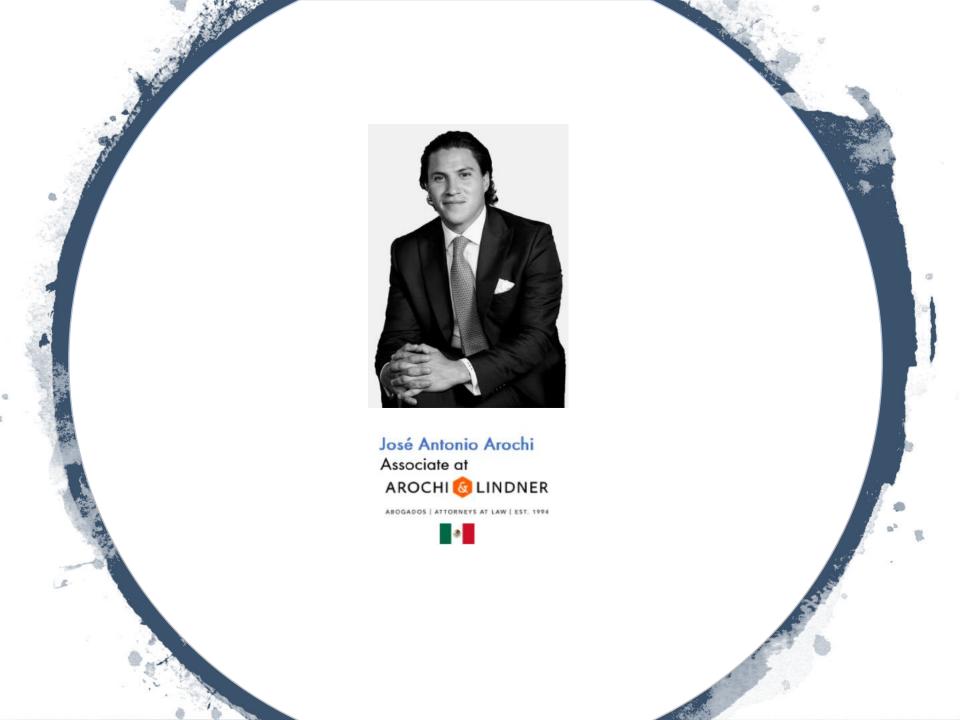


- In June 2021, Kim Kardashian posted an Instagram Story promoting Ethereum Max, a new cryptocurrency token, which contained a link to the Ethereum Max website which featured instructions about how to buy the token
- "Are you guys into crypto? This is not financial advice but sharing with what my friends told me about Ethereum Max token"
- Kardashian told her 225 million followers, her "friends" were reducing supply of the token to give back to the entire E-Max community
- Kardashian's "friends" had paid her \$250,000 to promote the new token
- Kardashian labeled her Instagram Story as an "ad"
- Labeling her Instagram Story as an "ad" did not satisfy the SEC's anti-touting laws which
 require that she disclose the nature, source, and amount of compensation she received –
 directly or indirectly in exchange for the promotion
- In October 2022, Kardashian settled with the SEC for \$1,260,000 in penalties, disgorgement, and interest for failing to disclose the \$250,000 payment and agreed not to promote crypto for 3 years
- Web 3 version of the classic "pump and dump" no returns, no chargebacks
- <u>Bottom line</u>: influencers should engage in due diligence to understand potential legal ramifications of promotions; don't want to get rich at your followers' expense



Kanye West & ADIDAS

- In 2016, West partnered with ADIDAS on a lifestyle brand including clothing, accessories, and shoes, including the Yeezy Boost 750, Boost 350, and Boost
- In October 2022, West published antisemitic tweets on Twitter
- ADIDAS eventually terminated the partnership, released a public statement, and stopped production of the Yeezy shoe line



Impact of Influencer Reviews / Opinic

- An influencer uploaded posts complaining about Sephora products and asked her followers to make posts on social media, tagging the brand and complaining about their products.
 - "Sephora sells expired products and do not refund the money."
 - "They are the worst, they sell expired products, they yell at their customers and they still have the luxury of playing dumb with the refunds they owe."
- Years later she confessed that the competing company paid her to do so.





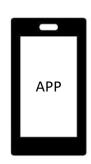




- Marco Antonio Regil is a successful entertainer with 45 years of experience in the Mexican entertainment industry.
- He joins Tuhabi as a shareholder with the intention of achieving the growth of the LATAM platform; receiving royalties from the sale of each property.









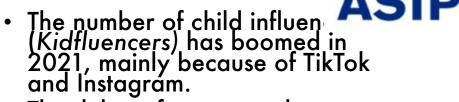








KIDFLUENCEI (



- The debate focuses on the protection of her image rights, the advertising regulation around her and with the negotiation and earnings through her parents.
- Sensitive topics?
 - Alcohol
 - Violence
 - Bullying/Humiliation
 - Diseases





Comisión Federal de Competencia Económica



Law for Promoting Transparency and
Preventing and Combating
Malpractice in the
Contracting of Advertising

Influencers - media hub?





juanpazurita O · Se Mexico to the World, LLC



juanpazurita Prom Mexico To the World. Proud to announce Day Of The Dead Collection with @Nike. *

Este es un sueño que he estado construyendo con #TeamNike los últimos años. Destacar la belleza tan única que tiene mi país y lo mucho que le puede ofrecer al mundo.

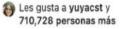
Personalmente, México ha sido un motor y un orgullo en mi vida. Siempre he creido que nuestro país ha sido y es subestimado. En mis años de carrera entre MX y USA, la gente ve ser Mexa como una limitante... y yo lo veo como una bendición. No hay nadie con nuestra resiliencia, humor y huevos. Esto es un testamento de lo











15 DE OCTUBRE DE 2020



Agrega un comentario...











C. TITULAR DE LA FISCALIA
ESPECIALIZADA DE CELLYOS SERVALES
DE LA FISCALÍA OSSERAL DE JOSTICIA
DE LA CICCAD DE HÉXICO.
FARESENTE.



AIRMA SURRE COMMA, por mi propio deracho, con fundamento an lo disposeto por los estisules 1, 8, 17 y 21 de la Constitución Político de los Estados Unidos Hexicanos, ast como los articules 1, 2, 3, 15, 16, 17, 100, 109, 110, 127, 128, 129 y 135 dol Código Macional de Propedialentes Penales y los acticules 1, 2, 3, 4, 5, 6, 7, 6, 9, 10, 11, 18, 19, 20 de 1s Loy Macional de Victimas: sefalo como domicilto pera pir y recitir notificaciones la dealque unes Assestes Juridiene y lee suturies para que en mi mombre suscribes toda class de promuciones, comparozoan ante esta sutoridad, tengen acceso a la investigación y ruciban toda close de non fundamento en el articulo 51 del Cédigo Macional de Procedimientos Penalus establezco como medios para muniquies comunicación rumota el telecono y al curren y, Einelmente, ante nated, de merera suspetuces, comparesen para esponer lo





VIRTUAL INFLUENCERS







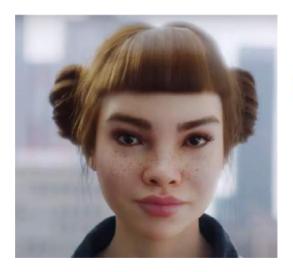


Les gusta a phumla293 y otros lilmiquela Pls pls pls let's make this the best summer ever I need it WE NEED THISSS **

- Created with artificial ASIPI intelligence
- Engaging content due to machine learning
- To whom will royalty payments be made?
- Presence at events commercial partnerships with brands
- Advertising identification is necessary (#publi)
- Higher engagement than traditional influencers
- Main target: Generation Z
- Cheaper than hiring traditional influencers

Hot topics

- Virtual Influencers
- Animal influencers
- Cultural heritage and collective intellectual property of indigenous peoples and communities
- Influencers in the Metaverse?
- Products that are harmful to health? (THC / CBD)
- Fake campaigns

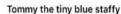








1,662 Publicaciones Seguidores Seguidos



👷 yes I am smol 🍿

English Staffordshire Bull Terrier

tommybluestaffy@gmail.com Ver traducción

@ linktr.ee/tommybluestaff







1st Birthday









Influencers Clearance 101. What should they be conscious about?









CONTACT US:

THANK YOU!

iGRACIAS!

Allison Rothman
allison@rothmanip.com

Jennifer Malloy immalloy@venable.com

José Antonio Arochi jarochi@arochilindner.com