

The New Wave of Sales-Price Advertising Claims: What's Behind It and How to Minimize Risks

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This article examines the recent new wave of lawsuits brought against retailers, brand owners and manufacturers of consumer products alleging the use of "deceptive pricing" when promoting goods as being "on sale." The cases, almost exclusively consumer class actions, allege that basing "sales" prices on markdowns from "list" prices or other "suggested" prices that were not actually charged for the goods violates the Federal Trade Commission Act, unfair competition laws and state false advertising laws.

The article highlights key factors in the cases and provides analysis in the context of other recent sales-price advertising lawsuits and federal and state enforcement actions. It also includes best practices for retailers and brand owners seeking to develop strategies to minimize the threat of such lawsuits.

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