

Advertising & Marketing

Contributing editor
Rick Kurnit



2018

GETTING THE
DEAL THROUGH

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Rick Kurnit

Frankfurt Kurnit Klein & Selz, PC

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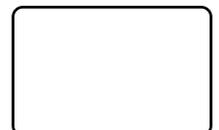


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Preface

Advertising & Marketing 2018

Fifth edition

Getting the Deal Through is delighted to publish the fifth edition of *Advertising & Marketing*, which is available in print, as an e-book and online at www.gettingthedealthrough.com.

Getting the Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Hong Kong and Russia.

Getting the Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.gettingthedealthrough.com.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We also extend special thanks to the contributing editor, Rick Kurnit of Frankfurt Kurnit Klein & Selz, PC, for his continued assistance with this volume.

GETTING THE
DEAL THROUGH 

London
April 2018

France

Michel Béjot and Caroline Bouvier

Bernard-Hertz-Béjot

Legislation and regulation

1 What are the principal statutes regulating advertising generally?

Advertising is regulated by laws and their implementing texts such as decrees and ordinances. For instance, Law No. 94-665 of 4 August 1994 (the Toubon Law) imposes the use of the French language in all advertising. Decree No. 92-280 of 27 March 1992 provides for specific rules dedicated to advertising on TV. There is no code governing advertising law, but rather various codes, per sector, which include rules governing advertising in France.

For example, the Consumer Code covers deceptive and misleading advertising, as well as comparative advertising; the Intellectual Property Code deals with the protection of trademarks and copyrights; and article 9 of the Civil Code protects individuals' images and privacy.

2 Which bodies are primarily responsible for issuing advertising regulations and enforcing rules on advertising? How is the issue of concurrent jurisdiction among regulators with responsibility for advertising handled?

The French advertising self-regulation agency (ARPP) represents advertisers, agencies and the media. It details expected ethical standards (self-regulatory rules entitled recommendations) and secures proper implementation of these standards through advice and pre-clearance, including providing mandatory advice before the broadcast of all TV advertising.

The French data protection agency (CNIL) also ensures the protection of personal data when the same is violated, for instance, in connection with unsolicited direct canvassing by email, illicit data collection or processing of personal data.

The French consumer and competition governmental authority (DGCCRF) has broad investigative powers in relation to all matters pertaining to the protection of consumers, including advertising practices.

DGCCRF agents are entitled to enter the professional premises of the advertiser, advertising agency or communication agency during business hours with prior appointment, to request an immediate review of documents and take copies of the same and to ask questions.

Depending on the violation, a claim can be brought before civil or criminal courts.

3 What powers do the regulators have?

The ARPP works with an independent jury (JDP), which handles complaints against advertisements that violate ARPP recommendations. Its decisions are published on its website (this is seen as a sanction in itself).

The CNIL is also empowered to pronounce sanctions against a data controller (eg, an advertiser) when the same violates the data protection law (up to €20 million or 4 per cent of their global turnover). Law No. 2016-1321 (the Digital Republic Law) of 7 October 2016 anticipates the main rules set by the EU General Data Protection Regulation ((EU) 2016/679) (GDPR), which will enter into force on 25 May 2018. Before issuing a sanction, the CNIL is also empowered to carry out an on-site investigation.

4 What are the current major concerns of regulators?

The ARPP concerns are focused on transparency, in particular, where adverts are broadcast on digital media or when the same are made indirectly by influencers on social media.

The CNIL is issuing guidelines to help professionals, in particular, to better understand the extent of their obligations in complying with the GDPR once it enters into force.

5 Give brief details of any issued industry codes of practice. What are the consequences for non-compliance?

The ARPP's recommendations are based on best-practice standards among professionals (advertisers, ad agencies and media) and on the rules set by the International Chamber of Commerce.

The ARPP acts in cooperation with the JDP, which is in charge of dealing with complaints against the advertisements that do not comply with the recommendations. These complaints can be brought either by competing advertisers, public associations, governmental authorities or private individuals. In order to be brought before the JDP, a claim must meet the following criteria:

- it must be brought against an advertisement;
- the advertisement in question must be identifiable and have been broadcast in France; and
- it must be based on a violation of the self-regulatory rules.

The JDP is not permitted to sanction the violation of French advertising law, nor is it empowered to issue civil penalties. However, its decisions are published on its website (which is a sanction in itself from the advertisers' point of view).

An appeal can be brought against the JDP's decision within 15 days of the date the decision is received by the parties; the appeal is brought before the Reviewer of Advertising Ethics, who is an individual appointed by the ARPP for a three-year term (he or she is not a member of the JDP).

There is also an urgent proceeding that can be handled by the ARPP, in the event of a serious violation of the ARPP's recommendations: the ARPP's president or general manager is entitled to carry out all necessary measures, in particular, through the sending of a cease-and-desist letter requesting the discontinuation of the advert to the professional concerned (advertiser, ad agency or media). The ARPP's president, or the general manager, informs the JDP accordingly. In the event a claim is filed before the JDP, the JDP issues its decision within a time frame that is shorter than the standard procedure. Further, the time limit for bringing an appeal against the JDP's decision is two days from the receipt of the JDP's decision.

6 Must advertisers register or obtain a licence?

No.

7 May advertisers seek advisory opinions from the regulator? Must certain advertising receive clearance before publication or broadcast?

Advertising for medicines (targeting health professionals or consumers) requires that an approval be delivered by the French health agency before the ad is published or broadcast.

The ARPP does provide advice before broadcasting for all adverts, irrespective of the media (not compulsory). A pre-clearance request

must be filed with the ARPP for the TV broadcast of adverts. The French TV channels refuse to broadcast any advert that has not been previously approved by the ARPP.

Private enforcement (litigation and administrative procedures)

8 What avenues are available for competitors to challenge advertising? What are the advantages and disadvantages of the different avenues for challenging competitors' advertising?

Competitors are entitled to file a claim before the JDP. The advantage is that the decision is issued rapidly (three months) as opposed to a decision handed down by French courts. However, the JDP's scope of action is limited to the violation of the ARPP's recommendations. In addition, the JDP is not entitled to impose any sanction such as monetary damages.

A competitor can also bring a lawsuit before French courts (civil or criminal courts, depending on the ground of action). The decision will be rendered within a longer time frame than in the self-regulatory system. The competitors will be able to request that the judge allocates monetary damages or orders the discontinuation of the litigious advert and the publication of the court decision, for instance, in newspapers or on a website. The competitor will, nonetheless, have to bear the costs associated with the litigation, in particular, the payment of a lawyer's fees and expenses (filing a claim before the JDP can be free of charge as the appointment of a lawyer is not compulsory).

9 How may members of the public or consumer associations challenge advertising? Who has standing to bring a civil action or start a regulatory proceeding? On what grounds?

Any individual can bring a lawsuit to challenge an advert, provided that he or she is able to show that he or she has an interest in bringing a lawsuit (ie, that he or she suffered a prejudice (eg, misleading ad)). French associations are also entitled to bring a lawsuit in the event the interests that they represent have been violated (eg, the association that fights alcoholism).

Competitors, as well as members of the public or consumer associations, are entitled to file a claim before the JDP.

10 Which party bears the burden of proof?

As a general rule under the French Civil Procedural Code, the plaintiff must prove his or her prejudice.

The French Consumer Code allows, in certain instances, more flexibility regarding the burden of proof, because certain acts are deemed unfair or misleading per se (and thus prohibited); for instance, when an advertiser pays for content in the media to promote its product or service without clearly stating it in this content or through images or sounds clearly identifiable by the consumer (article L121-4-11° of the Consumer Code).

11 What remedies may the courts or other adjudicators grant?

The following remedies can be granted:

- monetary damages;
- the discontinuation of the advert;
- the publication of the decision; and
- the payment of the court and procedural costs (as set by the judge); these amounts never cover the entire costs and expenses incurred in the litigation (in particular, the lawyer's fees).

12 How long do proceedings normally take from start to conclusion?

Proceedings take approximately one to one and a half years, for a civil action brought before the first-degree tribunal. A similar time period would apply in the event an appeal is brought before the Court of Appeal.

13 How much do such proceedings typically cost? Are costs and legal fees recoverable?

The time to be spent by the lawyer (and thus the corresponding fees) to handle a case until a decision is rendered by a judge is difficult to assess and depends on the nature and complexity of the matter.

As explained in question 11, the judge can allocate a certain amount to the winning party, destined to compensate the fees and expenses incurred in handling the litigation, but these amounts never cover the entire costs and expenses incurred (in particular, the lawyer's fees).

14 What appeals are available from the decision of a court or other adjudicating body?

The time limit for bringing an appeal against a court's decision is, for civil matters, one month from the date the decision is served upon a party. When the notified party is located abroad, this one-month period is extended to three months.

The time limit for bringing an appeal against the JDP's decision is 15 days from the date on which the decision is sent to the party, except in an urgent proceeding, for which the time limit is reduced to two days.

Misleading advertising

15 How is editorial content differentiated from advertising?

Law No. 2004-575 (the Digital Economy Law) of 21 June 2004, which addresses some specificities of activities carried out through the internet (liability of the service providers, the conclusion of online agreements, etc), provides general rules that are the same as those applied in the 'real world', such as the requirement to have the adverts, whatever the form (pop-ups, ad banners, etc), identified as such and therefore clearly distinguished from the non-commercial information (article 20).

The French Consumer Code also requires transparency: when an advertiser pays for content in the media to promote its product or service without clearly stating it in this content or through images or sounds clearly identifiable by the consumer, he or she can be deemed liable for the misleading advert or act of unfair competition (article L121-4-11° of the Consumer Code).

The ARPP issued a recommendation dedicated to digital adverts. This recommendation also contains annexes providing for more specific guidelines per type of advertising and marketing activities, such as the communication carried out by influencers (introduced in April 2017), native advertising, etc.

As a general rule, marketing communications and advertising should be clearly distinguishable as such, whatever their form. Identification of such can be achieved by any means whereby the consumer can clearly and immediately understand that the message is an advert.

16 How does your law distinguish between 'puffery' and advertising claims that require support?

Hyperbolic advertising is possible under French law. The judge assesses what the average consumer is able to understand and ensures that the same cannot be misled by the content of the advert. It is thus a matter of facts and interpretation.

Otherwise, the advertiser must be able to substantiate the claims related to the product or service.

17 What are the general rules regarding misleading advertising? Must all material information be disclosed? Are disclaimers and footnotes permissible?

Misleading advertisements are subject to sanctions. The sanction forms part of the broader infringement called misleading commercial practices, which is divided into two categories:

- misleading commercial practice resulting from a positive action: advertising must not create confusion with any product, trademark or trade name and must not include false information; and
- misleading commercial practice resulting from an omission (eg, not providing information that is essential for the recipient of the advertisement (in particular, the main characteristics of the product)).

The main sanctions are a two-year imprisonment and a fine of up to €300,000. This fine can also be set to an amount equivalent to 10 per cent of the average turnover of the advertiser over the previous three fiscal years (known at the date of the infringement), or to 50 per cent of the expenses incurred in creating the advert or in achieving the litigious practice.

Substantiation is required. The rules on misleading commercial practices apply to all advertising claims that cannot be substantiated by the advertiser. To that effect, footnotes are permissible but not imposed.

18 Must an advertiser have proof of the claims it makes in advertising before publishing? Are there recognised standards for the type of proof necessary to substantiate claims?

Under the general principle according to which the provision, in adverts, of false information is prohibited, advertisers must be able to substantiate any claim made in their advert. As a result, an advertiser must have proof of the claims before publishing or broadcasting the advertisement.

There is, however, no specific recognised standard that would provide guidelines on the way to substantiate the claims and that would list the necessary documentation to be gathered to that effect.

19 Are there specific requirements for advertising claims based on the results of surveys?

There is no specific requirement: general rules apply.

20 What are the rules for comparisons with competitors? Is it permissible to identify a competitor by name?

Comparative advertising is permitted in France provided that the following rules are complied with:

- the comparison must concern goods or services that cover the same need, or that have the same purpose;
- the comparison must be objective and exclude any reference to subjective criteria such as taste, smell or visual appearance;
- the comparative advertisement must objectively compare one or several essential, accurate, verifiable and main defining characteristics of the goods or the services (eg, the price);
- the comparative advertisement must not mislead, or attempt to mislead, the public;
- the comparative advertisement must not, without valid cause, take advantage of any goodwill in the trademark or name of the competitor;
- the comparative advertisement must not disparage the trademark, trade name or other distinctive brand of the competitor; and
- the comparative advertisement must not lead to confusion between the advertiser and their competitor.

Provided that the aforementioned rules are complied with, it is possible to refer to the name of a competitor in an advert.

21 Do claims suggesting tests and studies prove a product's superiority require higher or special degrees or types of proof?

There is no higher or special degree of type of proof per se but, from a practical standpoint, it will be easier to demonstrate that the advertiser has provided misleading content if he or she is not able to substantiate the claim and figures that have been advertised.

22 Are there special rules for advertising depicting or demonstrating product performance?

There is no specific requirement: general rules apply.

23 Are there special rules for endorsements or testimonials by third parties, including statements of opinions, belief, or experience?

The ARPP issued a recommendation addressing the use of testimonials in adverts. An advertising claim, no matter the form, that uses testimonies or certifications of persons, whether or not the same are famous, must comply with the following rules: marketing communications should not contain, nor refer to, any testimonial, endorsement or supportive documentation unless it is genuine, verifiable and relevant.

Moreover, when advertising, no matter the form, uses certifications and testimonies from well-known persons whose expertise is not questionable and allows them to give authorised advice on the subject, the certifications must comply with these requirements:

- they must be based on product experiences that the person had him or herself (or under his or her supervision) in regular-use conditions; and
- the conditions in which the experience was gained and in which the results were found must be clearly indicated in a document drafted before the first publication of the advertisement.

24 Are there special rules for advertising guarantees?

According to the Consumer Code, advertising must not contain false information concerning the extent of the professional's commitment, in particular, the replacement or repair of the product and the right of the consumer thereof.

In addition, the Consumer Code also considers as misleading the practice that creates the false impression that after-sales service in relation to a product is available in a member state other than the one in which the product is sold.

Finally, the seller's conditions of sale must quote the rules applicable to the legal warranty when the product is sold to a consumer.

25 Are there special rules for claims about a product's impact on the environment?

The general rule of the prohibition of misleading advertising applies. For instance, an advert stating that a trader (including his or her commercial practices) or a product has been approved, endorsed or authorised by a public or private body when it has not, or making such a claim without complying with the terms of the approval, endorsement or authorisation is deemed misleading.

Moreover, the ARPP's recommendation pertaining to sustainable development provides for specific rules on this issue. For instance, the words or expression should not mislead the public as to the nature and the extent of the properties of the product or the actions of the advertiser in terms of sustainable development.

Where it is impossible to justify general statements (such as ecological, green, ethical, responsible, preserve, equitable, durable, etc) the advertising should nuance them by using wording such as 'contribute to'.

In addition, advertising should not, directly or indirectly, incite excessive consumption behaviours or the wasting of energy or natural resources.

Moreover, the representation of motor vehicles outside public and private roads, in an off-road situation, is prohibited.

26 Are there special rules for describing something as free and for pricing or savings claims?

General rules prohibiting misleading adverts apply. A commercial practice that consists of describing a product as gratis, free, without charge or similar, if the consumer has to pay anything other than the unavoidable cost of responding to the commercial practice and collecting or paying for delivery of the item, is deemed misleading.

27 Are there special rules for claiming a product is new or improved?

The use of the wording 'new' or 'improved' must be used carefully, in order to avoid that the advert be deemed misleading.

According to the ARPP's recommendation entitled 'Vocabulary in Advertising', the word 'new' (and similar wordings) can only be used when a real modification has been made (in particular, a modification of the product (eg, formulation or recipe), its instruction manual, its presentation or packaging). The use of the word 'new' should also be limited to a period of one year, according to these recommendations.

Prohibited and controlled advertising

28 What products and services may not be advertised?

The following may not be advertised:

- firearms, weapons and ammunition: the content of advertising for firearms is regulated. Only the name of the manufacturer or distributor, the technical specifications, the price and the sales conditions may be advertised and only in specific media; and
- tobacco products (cigarettes, cigars, snuff and pipe tobacco): any propaganda or advertising, direct or indirect, in favour of tobacco, tobacco products or ingredients is prohibited. Any form of commercial communication or advertising (ie, any act, whatever the

purpose or the media, the effect of which is to remind the public of tobacco products or brands) is prohibited. The prohibition of indirect advertising is defined in the broadest way possible. Limited exceptions apply to tobacco advertising at certain motor sports events.

29 Are certain advertising methods prohibited?

Subliminal advertising is prohibited in France, on TV in particular (article 10 of Decree No. 92-280).

Spamming is also regulated: the general principle is to obtain the prior consent of the recipient (opt-in) of commercial communication by email, SMS or facsimile (article L34-5 of the Postal and Electronic Communications Code).

30 What are the rules for advertising as regards minors and their protection?

Advertising dedicated to minors is strictly regulated in France, in particular by Decree No. 92-280 as regards advertising on TV (article 7). Adverts must preserve their moral and physical integrity. Adverts must not invite children to convince their parents to purchase a product. Children must not be presented in a dangerous or harmful situation.

The ARPP also issued a recommendation addressing advertising to children. For instance, the advertising must not be likely to offend sensibilities, shock or cause provocation by disseminating images of children that violate their dignity or decency. The advertising must avoid scenes of moral or physical violence or abuse, whether direct or implied. Under no circumstances may the advertising, through its messages or its presentation, play down the significance of violence or abuse, or give the impression that such behaviour is acceptable.

31 Are there special rules for advertising credit or financial products?

Article L533-12 of the Monetary and Financial Code sets the strict criteria for adverts for consumer credit. For instance, the content must be accurate and not misleading. Aggressive practices are prohibited.

In 2014, the French authority governing the financial market issued guidelines (Recommendation No. 2014-05 of 8 July 2014) in order to provide for rules to ensure the clear advertising of financial products.

In particular, the adverts must comply with the following rules:

- adverts must contain the following information: information showing that the message is an advert, the identity of the advertiser, the nature of the product or the service promoted in the advert and the interest rate;
- adverts must state whether there is a promotional offer;
- the content of the message must be clear, audible and understandable;
- the advertiser must have a responsible behaviour and protect minors; and
- the risk and the results met in the past must be presented.

The ARPP also issued three recommendations addressing the following products and services:

- atypical investment and related services;
- financial products and agreements with leverage effect (trading on the Forex), stock index, raw material and binary options; and
- financial and investment products and services.

32 Are there special rules for claims made about therapeutic goods and services?

Advertising for medicinal products is permitted only for products that are not reliant on medical prescription and are not refundable by the compulsory health insurance (article L5122-6 of the Public Health Code).

Article L5122-2 of the Public Health Code provides that adverts for medicine must not be misleading or violate public health. The advert must objectively present the product and facilitate its proper use.

The advert must comply with the specific rules pertaining to the entry of the product on the market, as well as with the therapeutic strategy, as set by the Health Authority.

33 Are there special rules for claims about foodstuffs regarding health and nutrition, and weight control?

The Public Health Code provides that health messages should be added to advertising for manufactured food products and drinks on TV, cinema, radio, in print media and on posters and marketing flyers for supermarket distribution.

The health message is not compulsory. If advertisers choose not to comply with this message requirement, they must pay 5 per cent of the cost of the promotional campaign to the national nutritional policy.

The following messages must be used:

- ‘for your health, eat at least five portions of fruit and vegetables per day’;
- ‘for your health, practice sport regularly’;
- ‘for your health, do not eat rich foods high in sugar or salt’; and
- ‘for your health, limit eating outside of meal times’.

Further, since 1 October 2017, the wording ‘retouched photograph’ has to be presented with commercial photographs of models whose body appearance has been refined or enhanced; this requirement is aimed at fighting anorexia and bulimia.

Moreover, in the ARPP recommendation on cosmetic products, there is a specific rule on slimming and cellulite, according to which, weight loss is the result of either illness or a specialised treatment or a change of diet. Therefore, in a claim concerning cosmetics, no reference can ever be made to these words or to any derived terms.

34 What are the rules for advertising alcoholic beverages?

A drink is considered an alcoholic beverage if it has an alcoholic strength by volume of more than 1.2 per cent.

The direct or indirect propaganda or advertising in favour of alcoholic drinks is only allowed in limited cases as provided by the Public Health Code, which specifies (articles L3323-2 et seq):

- a limited list of permissible media (eg, in press for adults, certain categories of radio stations at specific times or on noticeboards or signs), which does not include TV; and
- a limited list of information (eg, the degree of alcohol, the origin and components of the product, the name and the address of the manufacturer, the modalities of the sale and consumption of the product).

Propaganda or advertising in favour of an organism (firm, association or foundation), a service, an activity or a product other than an alcoholic drink that, by its graphics, presentation or any distinctive sign, reminds consumers of an alcoholic drink, is deemed ‘indirect propaganda or advertising’.

Finally, any sponsorship campaign that has, as its purpose or effect, the direct or indirect propaganda or advertising in favour of alcoholic drinks is forbidden.

Several amendments to the alcohol policy law, the Evin Law, have been carried out, notably to:

- extend the scope of authorised content (2005 amendment: reference to the geographic origin of a product has been added to the list of information that is allowed in alcohol adverts);
- take into account the existence of new media (2009 amendment: online communication services have been added as an authorised medium, under the following conditions: online alcohol adverts should not be intrusive (such as pop-ups) or interstitial and remain, in any case, prohibited on websites that are, by their character, presentation or purpose, mainly destined to young people); and
- promote French local production (2016 amendment: the content, images, presentations, descriptions, comments or references concerning a production region, toponymy, a geographical reference, local production, an itinerary, a production area, local knowledge, history, culture, food or landscape heritage, related to an alcoholic beverage, is not deemed an advert for an alcoholic beverage, and thus not prohibited).

35 What are the rules for advertising tobacco products?

Any propaganda or advertising, direct or indirect, in favour of tobacco, tobacco products or ingredients is prohibited; there is an exception for tobacco retailers. There is also an exception for the TV broadcast of motor sports events filmed in a country where advertising of tobacco products is permitted (article L3512-4 of the Public Health Code).

Update and trends

The use of artificial intelligence and algorithms in advertising is a current challenge for the advertisers in terms of how to increase their ads' visibility in compliance with legal and ethical rules. Such use of artificial intelligence and algorithms can help the advertisers to better assess which ad is the most relevant for a consumer in light of his or her interest, as determined by the artificial intelligence tools. For instance, the profiling of a web user is based on his or her internet navigation history and allows the prediction, at all times, of his or her interest in a specific advert. As a result, it allows a real-time calculation of the value of an online advert inserted in the webpage that said web user is reading (real-time bidding).

The implementation of the GDPR, by French companies, is also a hot topic.

A health message must be featured on all tobacco product packets (article L3512-22 of the Public Health Code).

Packets containing cigarettes, tobacco and cigarette papers must be neutral and standardised (article L3512-20 of the Public Health Code).

36 Are there special rules for advertising gambling?

Law No. 2010-476 of 12 May 2010 implemented a controlled opening up of the state monopoly on gambling and sports betting on the internet. The scope of the controlled opening is limited to the random games that require participants' knowledge and that are less likely to induce addiction than games such as slot machines or other lotteries that offer a higher frequency of draws. Therefore, the games concerned by this Law are horse race betting, sports betting and poker games.

This Law also sets the rule applicable to advertising for betting and gambling activities and services (article 7).

Any commercial communication promoting a betting or gambling service must comply with the following rules:

- it must contain a health message preventing excessive gaming and referring to the informative and help assistance system, as implemented by the aforementioned law; and
- advertising of such is prohibited in publications, audiovisual communications and online communication services targeting minors, as well as in cinemas broadcasting films accessible to minors.

37 What are the rules for advertising lotteries?

Commercial operations based on chance are governed by different rules depending on whether they are offered to consumers or professionals.

When they are offered to consumers, they are licit per se (under articles L121-1 et seq of the Consumer Code: promotional lotteries), provided that they do not constitute unfair commercial practice. There is no specific rule addressing the advertising aspect of a game of chance.

When they are offered to professionals, they are regulated by articles L322-1 et seq of the French Interior Security Code, which prohibits commercial operations meeting the four following criteria (lotteries):

- a public offer;
- the hope of a gain;
- the element of chance (draw); and
- a payment or a financial sacrifice.

And, according to article L322-2-1 of the Interior Security Code, a financial sacrifice exists even when a reimbursement of a payment is offered to the participant.

Games of chance aimed at professionals are thus more strictly regulated in France than games of chance or commercial lotteries aimed at consumers.

38 What are the requirements for advertising and offering promotional contests?

There is no specific rule addressing the advertising aspect of promotional contests.

39 Are there any restrictions on indirect marketing, such as commercial sponsorship of programmes and product placement?

Under article 14-1 of Law No. 86-1067 of 30 September 1986, the Audiovisual High Council (CSA) is empowered to set the rules applicable to product placement.

In a Deliberation dated 16 February 2010, as amended on 24 July 2012, the CSA decided that product placement is only authorised for cinematographic works, audiovisual movies, fictional programmes and video clips. Otherwise, product placement is prohibited (eg, in TV news). The following products cannot benefit from product placement: alcoholic beverages, tobacco products, medicines, weapons and infant formula.

Programmes that contain product placements must comply with the following rules (article 18 of Decree No. 92-280):

- the content and the date of broadcasting must not be influenced in such a way that the liability and editorial freedom of the editor are altered;
- they must not directly incite viewers to purchase or lease the products or services advertised and must not contain specific references to these products, services or trademarks; and
- the sponsorship must be identified as such at the beginning of, the end of, or during the programme. This identification can be achieved through the use of a logo or any other sign of the sponsor, in particular, with reference to the products or service, or through any other distinctive sign, provided that the reference to the sponsor is occasional and discreet (it must not be a slogan nor consist of the presentation of the product itself or its packaging).

In addition, when a sponsor finances a TV game or contest, the offer of its products or services as prizes must not be accompanied by an advertising slogan.

40 Briefly give details of any other notable special advertising regimes.

The Toubon Law requires the use of the French language within the French territory, in documents destined to inform the public on goods or services such as offers, presentations, instructions for use, conditions of warranty, invoices and receipts (section 2).

A Circular dated 19 March 1996 specifies that this rule applies to the wording featured on labels and on the packaging of goods (section 2.1.1).

This Circular also provides that a translation into French of the foreign language is admitted if the French wording is as readable as the foreign language; but it is not compulsory that both wordings be featured with the same presentation and characters.

Social media

41 Are there any rules particular to your jurisdiction pertaining to the use of social media for advertising?

The Digital Economy Law requires that adverts, whatever the form (pop-ups, ad banners, etc) must be identified as such and therefore clearly distinguished from non-commercial information (article 20).

According to article L121-4-11° of the Consumer Code, a commercial practice using editorial content in any media to promote a product or service when the advertiser has paid for this content without clearly informing the consumer that it is paid-for content (within the content itself, in writing, with images or sounds clearly understandable by the consumer), is deemed misleading.

See question 15 regarding the ARPP recommendation dedicated to digital adverts. The digital communication of an influencer, or any other individual, on a social network platform (eg, a social post), will be deemed an 'advert' (and subject, in particular, to the ARPP's recommendations, such as the obligation to identify the message or post as an 'advert' (eg, 'sponsored')) if the following criteria are met:

- compensation offered by the advertiser (payment or any other compensation, such as gifts);
- editorial monitoring by the advertiser, including a prior review of the post or message; and
- promotion, by the influencer, of the advertiser's product or service (speech, message or image with a promotional purpose).

42 Have there been notable instances of advertisers being criticised for their use of social media?

The *National Association for the Prevention of Alcoholism and Addiction v Ricard* case (Supreme Court, 3 July 2013) is an example. The advertising campaign for the alcohol manufacturer (Ricard) included the offer of an app, as a free download (that required the consumer to have a Facebook account), allowing the user to see a video of the Ricard advertising campaign and to download codes leading to cocktail recipes using the alcoholic beverage, Ricard, which would be published on the user's Facebook wall.

The Supreme Court approved the Court of Appeal of Paris' ruling, which considered that, despite the fact that the user was sharing the advertiser's message on his or her Facebook wall, with his or her Facebook friends, the message remained an advert, subject, as such, to the Public Health Code, which, in particular, prohibits alcoholic beverages adverts on websites aimed at young people.

The Court of Appeal noted, in particular, that the use of hashtag references in the advertising campaign aimed at targeting young consumers interested in new technologies.

43 Are there regulations governing privacy concerns when using social media?

General rules applying to the protection of privacy (article 9 of the Civil Code) apply when social media is used.

BERNARD - HERTZ - BÉJOT

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