



Bar Bulletin

Home > Publications > Bar Bulletin

The Impact of Online Reviews

By Geoffrey W. Washington | October 15, 2014

The rise in popularity of consumer review sites on the Internet has opened new opportunities, as well as risks for lawyers. According to one recent survey, three out of four consumers seeking an attorney used online resources at one point during their search.

Another survey found that 58 percent of consumers seeking a lawyer began their search at the online review site Yelp.com. The rise of online review sites has allowed tens of millions to release their inner critic, but it also has led to unforeseen perils.

Consider this recent case in Texas: a law firm discovered that a disgruntled client had written a scathing review on Yelp—claiming deadlines were missed, the lawyer was generally incompetent and had to be reminded of the facts of the case, and over-billed for their less than stellar services. The firm then filed suit for defamation.

While this turn of events in the context of legal services may be alarming, similar variations on this same story have led to more serious consequences:

- A contractor sued a reviewer over a negative review on Yelp alleging the loss of hundreds of thousands of dollars in business after she accused him not just of unprofessional work, but theft and damage to her home;
- A California technology company won a judgment of over one million dollars against a blogger who claimed the company stole money from business associates;
- Cisco Systems was sued twice (and resolved through pre-trial out of court

settlements) for comments an anonymous blogger—and Cisco employee—made about opposing counsel and their patent infringement suit against Cisco, and

- The United States Attorney’s Office in Louisiana had several high profile cases jeopardized because of anonymous online comments on newspaper Websites by high-ranking assistants in the office about high profile investigative targets in corruption cases (leading to the forced resignations of said high-ranking assistants and an investigation of the office itself).

While the vastness of the Internet provides seemingly limitless anonymity, the reality is often otherwise when it comes to online review sites. As the popularity of these sites increases, the consequences of negative reviews are heightened.

A recent Harvard Business School study revealed that in some markets, as little as one star’s difference in a review resulted in an impact of between \$10,000 and \$30,000 of one quarter’s business for a small business. With such consequences looming, it is not surprising that many business have paid extra attention to such sites and the comments made on them.

Though we all know what is frequently said about the prevalence of opinions, legally, there is a fine line to be observed. Statements of opinion are generally regarded as immune from liability, while statements of fact—such as committing illegal or unethical acts—can lead to legal liability.

These disputes typically devolve in two ways. The most common results in taking action against a negative reviewer for comments or reviews posted online. As in the case involving the Texas law firm, these reviews go beyond the “service was lousy and took too long” and “too expensive” variety and instead get more personal.

Reviews stating items of fact (“missed deadlines” or “forgot important facts of case” for example) which challenge the integrity or trustworthiness of a business (or its principals and/or employees) can cause serious damage to the reputation of a business in the eyes of thousands of potential customers with whom the business has no ability to interact or respond to the charge. In such instances, courts have generally compelled disclosure of the identities of such reviewers and allowed suits against them to proceed.

On the other hand, an employee or superior uses the anonymity of the Web to post disparaging comments about a competitor, making statements about such persons or businesses and representing them to be factual and true.

With the increased popularity of online reviews and consumers' willingness to rely upon them, attorneys should be prepared to respond to this new platform – not only on behalf of their clients, but also themselves.

The anonymity of the Internet provides an avenue for consumers to communicate their experiences—positive and negative, founded and unfounded. The law imposes limits upon this freedom of expression, making unlawful the spreading of untruth, but also protecting statements of fact. Dealing with the ramifications of this new disruptive technology will create challenges, as well as opportunities.

Geoffrey W. Washington is a member with Adelberg, Rudow, Dorf & Hendler, who practices in the resolution of a variety of claims, including complex commercial, construction, and business and corporate disputes.

Special Focus

Columns

For Members
CLE
Become A Member
For the Public

Member Groups
Publications
Legal Resources
About Us

FOLLOW MSBA:

685-7878 | (800) 492-1964

Copyright | Privacy Policy | Site Map | FAQs