Wave Of Class Actions Targeting Influencer Marketing Signals Potential Trend – Attorney

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Class action litigants are increasingly bringing forward lawsuits targeting influencer marketing practices, says a Morgan, Lewis & Bockius LLP attorney during the IBA Cosmetics Convergence Conference Nov. 13.

A wave of consumer class action lawsuits targeting influencer marketing practices signals a potential trend in consumer class action litigation and underscore the importance of training for influencers, says attorney Aliza Karetnick, a partner at Morgan, Lewis & Bockius LLP.

Speaking during the Independent Beauty Association's digital Cosmetics Convergence Conference Nov. 13, Karetnick said the cases largely emerged in the first half of 2025.

"Most of them have not gotten much traction, but what they have signaled is what could be a popular trend in consumer class action litigation going forward," she said, adding the issue is one marketers should keep a close eye on, while monitoring their influencers' ads.

"With demands of substantial monetary and injunctive relief and significant brand damage at stake, influencer marketing lawsuits can be detrimental," said Karetnick, who represents clients in the personal care arena as well as other industries in class action cases.

Until recently, scrutiny of influencer marketing came mostly from the Federal Trade Commission and the National Advertising Division of the BBB National Programs, Inc.

Key Takeaways

- Class action litigants have filed a number of class action lawsuits in 2025 targeting influencer marketing practices, suggesting a potential trend in consumer class action litigation.
- While the FTC and the NAD have typically taken action on influencer marketing, private plaintiffs are increasingly stepping into the arena as influencers make "incredible amounts of money."
- Cases typically name both the influencer and marketers, often relying on "common themes" including alleging undisclosed influencer partnerships as deceptive practices and often referring to the influencer guides as issued by the FTC.
- Beauty and personal care marketers should take action now to train influencers, even encouraging them in achieving certification through the BBB National Program Inc.'s Institute for Responsible

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"Now, private plaintiffs are increasingly stepping into the arena and I think it's because, quite frankly, for marketing, the influencers themselves now have deeper pockets," she said. "Influencer marketing is Influence, where they can receive training and certification.

ubiquitous, but there are influencers who have really made incredible amounts of money and so this has become a rich target."

With so many beauty companies leveraging influencer campaigns to drive growth and increase engagement, risks are high.

Influencer marketing has become an indispensable tool for brands, according to the BBB National Programs. In 2024, 82.7% of U.S. marketers used influencers in their campaigns, contributing to a domestic market valuation of \$24bn. Today, more than 27m people in the U.S. are being compensated to influence the purchase decisions of consumers.

Common Themes In Cases

Karetnick declined to discuss individual class action cases targeting influencers, but said they all "effectively attempt to transfer routine business practices into sort of a new focus area for consumer class actions."

She touched upon "common themes" among them, first that they name both the brand and the influencers as defendants, "so they are casting a wider net for potential liability and for recovery of damages if ultimately liability is found," she said.

Secondly, the cases "consistently frame undisclosed influencer partnerships as deceptive business practices" and rarely only cite one cause of action.

"They often reference influencer guides as issued by the FTC, notwithstanding the fact that those guides do not have the force of law – they are not binding and do not independently give rise to a cause of action – nonetheless, they are often referenced in lawsuits," Karetnick said.

In 2024, the FTC <u>updated</u> its guides for online reviews and social media endorsements. Previously revised in 2009, the Guides Concerning the Use of Endorsements and Testimonials are designed to ensure that whenever a social media influencer or other content creator has a "material connection" with a brand and endorses one of its products on social media, that endorsement is honest and any connection between the brand and the endorser is fully disclosed.

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Aliza Karetnick, partner at Morgan, Lewis & Bockius LLP

Prior to releasing the guides, the FTC has been cracking down on deceptive influencer practices in recent years, <u>taking legal action against some and warning scores more</u>, for failure to disclose material connections with brands, among other violations of FTC guidelines and law.

NAD has also assessed influencer claims in the self-regulatory space. Early in 2025, Wyoming-based NuOrganic Cosmetics <u>agreed to comply with National Advertising Division recommendations</u> that the firm take immediate steps to ensure any affiliates on social media platforms such as TikTok and Instagram that post on its products disclose their material connection to the brand.

Karetnick said the third pattern with these cases is that the plaintiffs allege that the named influencer or defendants "either inadequately disclosed their relationship with the brand or omitted required disclosures altogether, rendering any subsequent disclosures ineffective."

Fourth, the cases "are all grounded in the same sort of price premium theory," she said. "So the theory is, 'had I known more about the influencer relationship, I would have evaluated the product differently. I would not have purchased it. I paid a premium for this product and I should be returned the money that I spent that constitutes the premium."

She added, "there isn't any physical damage. There isn't any emotional damage [though] it may be alleged, but that's really not the theory. The theory is that there was a price premium paid and therein lies the damage that the purchaser, the consumer, suffered."

In a blog post on her law firm's website, Karetnick along with co-authors Partner Rachel Raphael and Associates Caitlin Zeytoonian and Elizabeth Bresnahan say the influencer class actions pose "nearly identical legal theories, procedural strategies and damages calculations" that "reflects what appears to be a standardized (and easily replicable) formula."

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influencing on behalf of more than one company at a time, and yet they could affect your brand. So it's important to be as diligent as possible."

Attorney Aliza Karetnick

They add that, "although it remains to be seen whether these cases will progress past the motion to dismiss stage, their emergence suggests a coordinated approach to test what could become the newest viable area of consumer class action litigation."

In the blog post, Karetnick and her colleagues touched upon a few of the influencer class action suits, though none were in the beauty or personal care space.

These include Dubrev v. Celsium Holdings Inc. et al., a putative class action filed Jan. 22 in the US District Court for the Central District of California.

A California resident suing the plaintiffs alleges that, in order to artificially inflate the prices for Celsius products and boost sales, both the company and influencers "devised a scheme in which the Influencers will tag or recommend Celsius products, pretending they are disinterested consumers." Relying on that "undisclosed and misleading" advertising, "plaintiff and the class members purchased products and paid a premium, while the products proved to be of a much lower value than the price paid."

The plaintiffs seek damages of more than \$450m. The company and influencers have motioned to dismiss the suit.

Practical tips

Companies, influencers, and interested stakeholders should assess current influencer marketing practices and policies to make sure they are up to date with applicable laws, regulations, and standards, says Karetnick.

Expanding on practical tips for beauty companies during the conference, she advised firms to "go back to basics, or to first principles, which is to know what your social media influencers are doing."

Firms should monitor all their influencers' social media representations and disclosures about brands. "Be in the know about what they are saying and be in the know about what they are saying about other companies," she said.

"It is more often than not the case today that social media influencers are representing or are influencing on behalf of more than one company at a time, and yet they could affect your brand. So it's important to be as diligent as possible."

Further, beauty brands should provide influencers "clear guidance and guardrails," she said.

"In today's world, it's not enough to simply advise influencers that compliance with the endorsement guides is required. Companies should attempt to mitigate risk by providing detailed guidance and training influencers, including providing specific examples of permissible disclosure language," she said.

Karetnick also advised companies to point influencers to the National Advertising Division's influencer certification program.

In mid-January, the BBB National Programs, Inc. will launch the Institute for Responsible Influence, to help build trust in the creator community through training and certification, teaching them real-world applications of the FTC Endorsement Guides and other industry standards and best practices, as well as providing tools and support.

The institute is part of the BBB National Program's Center for Industry Self-Regulation, a 501(c)(3) foundation launched in 2020 that is a complement to the self-regulatory system by focusing on research, education and advancing understanding of self-regulation.