Cases Related to User Review in Korea

Submitted by: Korea
Cases Related to User Review in Korea

Korea Fair Trade Commission
Minhyung Lee
Contents

1. Contents of the E-commerce Act related to User Reviews

2. Relevant Cases

3. Suggestions
1. Contents of the E-commerce Act

- **Provision of Information**
  1. Identity of the business operator
     - Trade name and name of the representative, address, telephone number, e-mail address, business registration number etc.
  2. Transaction terms
     - Names, types and contents of the goods, price, payment method and time, method to supply goods, matters regarding the cancellation

- **Cancellation, etc. of Orders**
  1. Unconditional cancellation
     - within seven days from the date the goods, etc., have been supplied
  2. Cancellation when the contents of the goods are different from what was indicated or advertised
     - within three months from the date of receiving the goods
Prohibitions

Article 21 (Prohibitions)

(1) Neither a business operator engaged in electronic commerce transactions nor a mail order distributor shall do any of the following acts:

1. **Luring customers, concluding a deal with consumers**, or interfering with customers’ cancellation, etc. of orders or termination of contracts by **providing false or exaggerated information or by deceptive means**;
10. Prohibited Activities of Business Operators

A. Examples of "soliciting a consumer or making a deal with a consumer by informing of any false or exaggerated fact or using a deceptive method" in Article 21 (1) 1 of the Act are as follows:

<Examples>

(5) Where a business operator deletes a user's comment unfavorable to the business operator with regard to the quality, delivery, or other aspect of goods, etc. sold at his/her cyber-mall or engages his/her employee or a consumer sponsored by the cyber-mall to write a user's comment fraudulently favorable to the business operator;
2. Law enforcement experiences
<table>
<thead>
<tr>
<th>Division</th>
<th>Cases</th>
<th>Corrective measures etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Commerce(2011)</td>
<td>① Luring customers by deceptive means (2011)</td>
<td>Corrective measures (including public announcement), Administrative fines</td>
</tr>
<tr>
<td></td>
<td>- Writing fraudulent reviews favorable to business operators</td>
<td></td>
</tr>
<tr>
<td>Delivery App</td>
<td>② Luring customers by deceptive means (2016)</td>
<td>Corrective measures (including public announcement), Administrative fines</td>
</tr>
<tr>
<td></td>
<td>- Deleting unfavorable reviews, writing fraudulent reviews</td>
<td></td>
</tr>
<tr>
<td>Accommodation App</td>
<td>③ Luring customers by deceptive means (2017)</td>
<td>Corrective measures (including public announcement), Administrative fines</td>
</tr>
<tr>
<td></td>
<td>- Deleting unfavorable user reviews</td>
<td></td>
</tr>
<tr>
<td>SNS based Internet Shopping malls</td>
<td>④ Luring customers by deceptive means (2020)</td>
<td>Corrective measures (including public announcement), Administrative fines</td>
</tr>
<tr>
<td></td>
<td>- Manipulating the arrangement orders of user reviews</td>
<td></td>
</tr>
</tbody>
</table>
A. Manipulating the Arrangement method of reviews

- KFTC investigated whether there was violation of E-commerce Act in SNS based internet shopping malls (2020)

- Online shopping mall operators had review boards in their online sites, and made is as if consumers can sort the reviews by ‘newest’, ‘recommended’, ‘higher rated’.

- However, the operators actually fixed the favorable reviews on the top and unfavorable reviews on the bottom, allowing consumers to access only favorable reviews unless they look to at the end of the board.
A. Manipulating the Arrangement method

*Source: KFTC publication(2020.06.19.)

- Consumers could be hesitant to purchase goods if they have seen the unfavorable reviews.
- Manipulating the arrangement methods of reviews is concealing or omitting important facts that affect consumers purchase, therefore it is luring consumers using deceptive means.
B. Deleting Unfavorable Comments

- Accommodation platforms’ violation of E-commerce Act (2017)

- Accommodation platform operators deleted unfavorable reviews regarding the quality of the rooms, service, etc. at the request of the business operators (platform entrants).

- Deleting unfavorable comments also prevents consumers from making a reasonable purchase based on accurate information (such as true reviews).
# B. Deleting Unfavorable Comments

<table>
<thead>
<tr>
<th>Platform</th>
<th>Period</th>
<th>Number of Cases</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2016.4.1. ~ 2016.9.25.</td>
<td>5,952</td>
<td>청결 상태며 창문도 안 닫히고 최악입니다. 옥실에 휴지도 안 걸려있고 옥조는 닦지도 않는지 때는 그대로 있습니다. 냄새도 정릴 옛날 여관 냄새나요. 리모델링을 하셨는데 외관만 번지르르하게 한 것인지 의문이 드네요. 다시는 이용하고 싶지 않은 곳입니다. 자주 오는데 오늘따라 냄새가 심해네요. 침구는 깨끗한데 세면대 밑에 진짜 더러워요ㅠㅠ 준특실같지 않았고 미리 전화해서 원하는 방드테마 말해도 묵을 수 있던 것도 아니었고 그냥 좀 깔끔한 일반 룸 같았어요.</td>
</tr>
<tr>
<td>B</td>
<td>2015.7.28. ~ 2016.9.26.</td>
<td>18</td>
<td>친절하지도 않고 제가 이용해 본야자 중에 제일 최악. 침대에 머리카락 많고 옥실도 물기 그대로 간택도 좀...이 가격이 이 정도 친절과 시설이면 손님 다 떠어지겠네요. 들어올 때 있던 직원이 너무 불친절해서 실망했는데 나갈 때 있는 다른 직원은 낯네요. 비가미친듯이 오는데 저희차를 야외주차장에 옮겨 두고는 차 위치를 알려주지도 않고 바위전 맞고 이게뭐 하는 짓인지. 장사 좀 되나 보네요. 불친절할 뿐만 아니라 주말이라 폭 습려고 일부러 다른 곳보다 오래 이용할 수 있다고 하여 갖습니다. 근데 결제까지 끝내고 울라가는데 현금만 4시간이라네요. 어이없음. 미리 말해주던지 기분 나쁘네요. 환불받고 받 데 갑니다.</td>
</tr>
</tbody>
</table>

*Source: KFTC publication(2017.4.25.)*
C. Creating Fraudulent Comments

- Delivery platforms’ violation of E-commerce Act. (2016)

- Employees of the delivery platform created and posted fraudulent user comments on the ‘Best Review’ board using false manager accounts.

- Creating and posting fraudulent reviews prevents consumers from making a reasonable purchase based on accurate information (such as true reviews).
## C. Creating Fraudulent Comments

<table>
<thead>
<tr>
<th>Name of Platform</th>
<th>Period</th>
<th>Number of Comments written</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2013.9.1.~2014.8.31</td>
<td>4,731</td>
<td>이제 서서히 여름 다가오는데 계속 냉면 맵길거 같아요 맛있었습니다!</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>통구이파죽이래서 원가 다른거 갈아 시켜 먹어 봤었는데 진짜 맛있어요!!ㅋㅋㅋ</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>보쌈김치맛이 일품이네요! 왜 같은 걸질인데도 보쌈김치는 이렇게 맛있을까용</td>
</tr>
</tbody>
</table>

*Source: KFTC publication(2017.4.25.)
3. Suggestions
Suggestions

- It is important to provide consumers engaged in e-commerce with the right to make rational choices.

- If business operators are required to disclose information on user reviews (how the user reviews are collected or processed etc.), consumers can make purchase decisions based on reliable information.

- KFTC has announced advance legislation notice for the general revision bill of the E-commerce Act (2020.3.5.~4.14.)

- In order to provide consumers with the right to make rational choices, the bill will enhance the provision of information by showing how ranking on results pages are determined, disclosing information on user reviews, etc.
Thank you