

Advertising & Media Alert

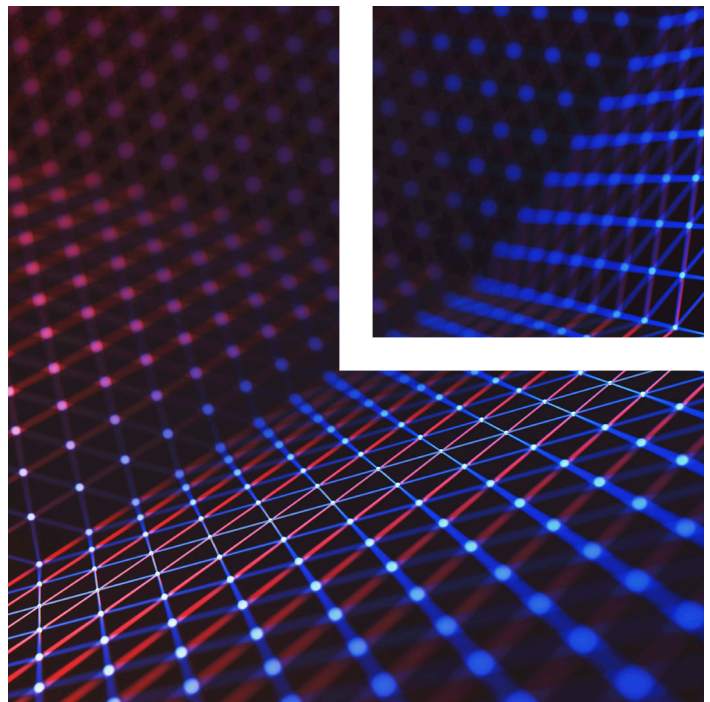
May 2022

NAD Verifies Niantic, DoorDash Social Justice Charitable Giving Claims as Legitimate

Brands should be aware that corporate charitable partnerships are monitored, not only by state attorneys general and the Federal Trade Commission but by the National Advertising Division (NAD) as well.

NAD recently questioned online statements made by software developer Niantic Inc. and food delivery service DoorDash Inc. pledging to make significant monetary donations to social justice organizations, including through commercial co-ventures (CCVs).

Part of the BBB National Programs, NAD operates a self-regulatory process monitoring national advertising across all media formats, including statements that advertisers will donate a portion of their sales to support social justice initiatives. As NAD noted in its case reports, statements about charitable programs or contributions have “the purpose of inducing a sale or persuading consumers about the usefulness of [Niantic and DoorDash]—i.e., consumers who care about a company’s commitment to social justice will find [Niantic and DoorDash] to be appealing and may choose to purchase a product or service from that company over a competitor that has not committed to make donations to social justice organizations.” NAD brought the Niantic and DoorDash inquiries about the companies’ statements regarding their charitable initiatives as part of its routine monitoring program and asked each organization to provide documents supporting their claims. In both cases, the companies’ statements about their charitable contributions were posted on their websites.



Niantic Initiative

Niantic, the creator of Pokémon GO, expressed, on its website, support of social justice causes and charitable organizations. The company announced that it would donate at least \$5 million of its proceeds from Pokémon GO Fest 2020 ticket sales to diversity and community-building initiatives. Half of the proceeds would fund new projects by Black gaming and augmented reality (AR) developers, and half would go to nonprofit organizations that help improve local communities. Niantic pledged to donate \$100,000, plus a \$50,000 employee match, to the Marsha P. Johnson Institute, an organization that protects and defends the human rights of Black transgender people. Niantic also stated that it was expanding its partnership with Gameheads, a nonprofit that teaches students how to develop games, by providing \$25,000 in scholarships, sponsoring its annual showcase for \$15,000, and donating \$20,000 to create a new “Developing for

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AR 101" program in which students can earn college accreditation from California State University.

In response to NAD's inquiry, Niantic provided evidence that it exceeded its pledged minimum of \$5 million and donated half of the total donation to 31 social justice organizations and the other half to the Black Developers Initiative, a program that supports Black-led developers building AR and other experiences. Niantic also confirmed that it exceeded its pledged donation to the Marsha P. Johnson Institute and gave the promised donations to expand its partnership with Gameheads.

Niantic also confirmed that it sponsored an introductory AR course at California State University in spring 2021, provided \$25,000 in scholarships and contributed \$20,000 to create an accreditation program in AR at the university. The company also affirmed that it sponsored the 6th Annual Student Showcase for \$15,000.

DoorDash Fund

DoorDash stated on its website it would donate a total of \$1 million to social justice causes. Of that amount, \$500,000 would go to the Black Lives Matter movement and \$500,000 would be used to create a fund overseen by the Black@DoorDash Employee Resource Group (ERG) to be distributed to state and local organizations.

Documentation provided to NAD by DoorDash to verify its claims included invoices and letters. Specifically, the company produced an acknowledgment letter from Thousand Currents, a 501(c)(3) organization that invests in community-led initiatives in Africa, Asia and the Pacific, and Latin America related to sustainable food production as well as economic and climate justice.

DoorDash also provided documentation of the funds donated to various state and local organizations working with people of color nationwide pursuant to its Black@DoorDash ERG. Organizations included Black Girls Code, a group dedicated to teaching young women of color computer programming skills; the Detroit Black Community Food Security Network; and the NAACP's Legal Defense and Educational Fund.

The takeaway for brands here is that they should be aware NAD is looking at statements companies make about charitable commitments and seeking to ensure the money is going where the brands say it is. When creating CCVs and other charitable giving campaigns, companies must be prepared to provide documentation to support their claims.

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