**Deceptive Advertising and Liquidation Sales**

Trial attorney and commercial litigator M. Keith Lipscomb practices at Lipscomb, Eisenberg & Baker, PL in Miami. Drawing on many years of education and experience, Keith Lipscomb has a special interest in intellectual property rights, including unfair competition and false advertising litigation.

A strategy that is often subject to scrutiny under false advertising legislation is the use of liquidation or “going out of business” sales. Legitimate court-ordered stock liquidations are often accompanied by a license granting the implementation of a liquidation sale tactic. Under state laws, which may vary depending on jurisdiction, the retailer may be required to register the sale with government officials and submit an inventory of merchandise being sold under these conditions. Additionally, the retailer may not be permitted to bring further items into the store to sell under the same conditions once the liquidation sale commences. The duration of a liquidation sale period may be regulated.

A sales strategy sometimes employed by liquidators is to increase the prices on merchandise that was previously marked down shortly before store closure. This measure offers no recourse to consumers who discover that they have been overcharged, as liquidators do not accept returns or offer refunds.