Reputation Systems and ODR

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Reputation and Why It Matters

- Reputational information = information about an actor’s past performance that helps predict the actor’s future ability to perform/satisfy preferences.

- Reputational information is crucial to the marketplace’s proper functioning.
  - Reputational information = invisible hand of the invisible hand.

- Types of reputational systems:

<table>
<thead>
<tr>
<th>Unmediated</th>
<th>Mediated</th>
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<tbody>
<tr>
<td>Word of mouth</td>
<td>Credit scores</td>
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<tr>
<td>Job reference/recommendation letter</td>
<td>Bond ratings</td>
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<td>Consumer reviews (BBB; online)</td>
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Online Consumer Review Site Examples

- Amazon.com
- eBay
- Yelp
- Angie's List
- Ripoff Report
- TripAdvisor
- RealSelf.com
- Glassdoor.com
- Avvo
- RateMDs.com
- Rate My Professors.com
- DON'T Date Him Girl.com
- Lulu
- PlayerBlock
- PunterNet
Consumer Reviews and ODR

**Similarities**
- Low-value disputes
- Fact-specific
- Transborder

**Possible Differences**
- Anonymous/pseudonymous
- Whack-a-mole
- The Google Effect
- Wisdom of the crowds
- Right of reply
- 47 USC 230
- Streisand Effect
“Dispute Resolution” For Consumer Reviews

- **Technological Design**
  - Structured collection/submission barriers
  - Authentication (identity/transaction)
  - Filters
  - Prominence
  - Right of reply

- **Adjudication**
  - Pre-publication editor
  - Post-publication CSRs
  - Court

- **ODR**
  - Author’s incentives to participate?
  - Who pays whom?
  - What remedies?
  - Process transparency?