

Pricing Disputes Across Industries Raise Questions for Hospitality

10.14.26

Hi there, and welcome back to the *Regulatory Check-In*!

This week: Expedia faces an antitrust suit over hotel rate restrictions, McDonald's is accused of using AI to coordinate franchisee menu prices, a lobby fragrance question for California hotels, the FTC goes after deceptive online pricing again, and StubHub shows what personalized pricing looks like in practice.

Expedia Hit With Antitrust Suit Over Hotel Pricing Restrictions: A proposed consumer class action alleges that Expedia violated federal antitrust law in two ways. First, it allegedly barred listed hotels from selling rooms for less through their own booking channels. Second, it allegedly used algorithms to penalize hotels that offered lower rates on competing OTA sites. Why it matters: parity clauses and ranking penalties limit how hotels price their own rooms, especially on their own websites. If a court finds these terms anticompetitive, hotels could gain more freedom to offer lower direct rates, and OTAs may have to rewrite their contracts. Hotels aren't defendants, but their OTA contracts and pricing data could still come up in the case.

McDonald's Accused of Using AI to Coordinate Menu Prices: Flagged by my colleague Greg Duff in his [weekly update](#), a proposed class action accuses McDonald's of violating antitrust laws by using AI to coordinate prices across independently owned restaurants. Plaintiffs say that pushed average menu prices up roughly 40% over five years. Swap "franchisor" for "hotel brand" and "menu prices" for "room rates," and the parallel is obvious: when does a shared revenue management tool become coordinated pricing? We've flagged AI pricing tools in past editions, and this case adds an antitrust angle.

Should California Hotels Be Sued for Using Fragrances in Their Lobbies?: Signature scents have become a branding staple. Now one California law firm has filed a wave of lawsuits this year against major hotel chains, in California and elsewhere, over their use of synthetic fragrances. The claim is that scented lobbies are unfair to guests with fragrance sensitivities, and that the aromas can harm them. Whether these suits gain traction remains to be seen, but scent programs are now firmly on plaintiffs' radar.

FTC, States Sue Lens.com Over Deceptive Pricing: The FTC, joined by the Utah and Nevada attorneys general, has sued contact lens retailer Lens.com over what it calls a long-running deceptive pricing scheme in search ads and on the company's website. Contact lenses aren't hospitality, but the enforcement theory carries over. The FTC's fee rule already covers lodging and live-event ticketing, and this case shows the agency and state AGs are still focused on the gap between the advertised price and the price consumers

actually pay. If your rates show up in search ads or metasearch, make sure the price displayed matches the price at checkout.

For the Same Ticket on StubHub, Different Prices for Different People: The same seat at an upcoming Harry Styles concert at Madison Square Garden could cost \$455 or \$517, depending on who is buying. This is the personalized pricing we've been tracking all year. The FTC's proposed enforcement policy targets the use of personal data to estimate what an individual consumer is willing to pay. As we noted last month, if your revenue management system adjusts rates for individual guests based on data like booking history, loyalty tier, device type or location, you're squarely in scope. Supply-and-demand pricing is not the target. The hotel industry is already engaged: AHLA filed a comment urging formal rulemaking and asking that any final policy expressly distinguish market-based dynamic pricing, loyalty and member rates, and promotional offers from the use of personal data to raise prices. The comment period closed September 25, and the FTC is now reviewing submissions. No date has been set for a final statement, but how it treats hotel loyalty and dynamic pricing will be worth watching.

Until next time.

[Expedia Hit With Antitrust Suit Over Hotel Pricing Restrictions](#)

October 5, 2026 via Law360

Expedia broke federal antitrust law by barring listed hotels from selling rooms at lower rates through their own booking channels and using algorithms to punish them for offering reduced prices on competing travel agency websites, consumers claimed in a proposed class action filed in Washington federal court Friday.

[McDonald's Accused Of Using AI To Hike Menu Prices](#)

October 5, 2026 via Law360

A potential class action filed in Illinois federal court Friday accuses McDonald's of flouting federal and state antitrust laws by using artificial intelligence to coordinate prices among independently owned restaurants, causing customers to overpay and average menu prices to rise by roughly 40% in a five-year period.

[Should California Hotels Be Sued for Using Fragrances in Their Lobbies?](#)

October 3, 2026 via Los Angeles Times

Take a deep breath in Hollywood's Kimpton Everly Hotel and you may catch a whiff of sandalwood, leather, fennel, cardamom, violet and cedar.

[FTC, States Sue Lens.com for Misrepresenting the Price of Contact Lenses in Search Ads and on Its Website](#)

October 2, 2026 via U.S. Federal Trade Commission

Today, the Federal Trade Commission, joined by the Utah and Nevada Attorneys General, sued to stop a long-running deceptive pricing scheme run by contact lens retailer Lens.com Inc.

[Inside McDonald's Push to Have AI Price Your Big Mac](#)

September 30, 2026 via USA Today

McDonald's is increasingly using artificial intelligence to guide menu prices across the U.S. and some global markets, a plan that aims to boost headquarters' profit but risks alienating customers and attracting antitrust scrutiny.

[For the Same Ticket on StubHub, Different Prices for Different People](#)

September 30, 2026 via NBC News

The same seat at an upcoming Harry Styles concert at Madison Square Garden could cost \$455. Or it could cost \$517.

Posted in [The Regulatory Check-In](#)

Authored by

[Melia A. Preedy](#)

[Counsel|Seattle](#)

206.816.1335 melia.preedy@foster.com