

Complaint

117 F.T.C.

IN THE MATTER OF

MR. COFFEE, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3486. Complaint, Mar. 25, 1994--Decision, Mar. 25, 1994

This consent order prohibits, among other things, an Ohio corporation, that manufactures coffee makers, filters and other products, from making false or unsubstantiated environmental claims for any paper product or package it markets.

Appearances

For the Commission: *Kevin M. Bank and Michael Dershowitz.*

For the respondent: *Martin R. Gold, Gold, Farrell & Marks,*
New York, N.Y.

COMPLAINT

The Federal Trade Commission, having reason to believe that Mr. Coffee, Inc., a corporation ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent, Mr. Coffee, Inc., is a Delaware corporation with its office and principal place of business located at 24700 Miles Road, Bedford Heights, Ohio.

PAR. 2. Respondent has advertised, offered for sale, sold, and distributed coffee-making appliances and coffee filter products to the public, under the trade name "Mr. Coffee" (hereinafter "Mr. Coffee").

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondent has disseminated or has caused to be disseminated advertisements, including product labeling, and other

promotional materials for its "Mr. Coffee" filters, including but not necessarily limited to the attached Exhibits A through D.

The aforesaid product labeling (Exhibit A) included the following statement on the front of the package:

Chlorine-free process

The aforesaid product labeling (Exhibit A) also included the following statements on the top of the package:

Here's Why Mr. Coffee Filters Are Better For
Coffee Lovers and Nature Lovers

No Chlorine: The exclusive paper is cleaned and whitened without using chlorine bleach, which has been found to create undesirable byproducts....

A subsequent version of the aforesaid product labeling (Exhibit B) includes the following statement on the top of the package:

Here's Why Mr. Coffee Filters Are Better For
Coffee Lovers and Nature Lovers

Chlorine Byproducts: This exclusive paper is cleaned and whitened using a new process that has virtually eliminated environmentally harmful byproducts created by traditional chlorine bleaching....

The aforesaid print advertisement (Exhibit C) included the following statements:

NEW CHLORINE-FREE FILTERS.

Mr. Coffee's new filters are not only good for your coffee, but for the environment too. The special manufacturing process whitens without elemental chlorine and provides a stiffer, stronger filter ... New chlorine-free filters from Mr. Coffee.

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A and C, respondent has represented, directly or by implication, that:

A. "Mr. Coffee" filters are manufactured without the use of chlorine to clean and whiten them.

B. Because "Mr. Coffee" paper filters are made without using chlorine, no undesirable byproducts associated with chlorine bleaching are released to the environment during the manufacturing process.

PAR. 6. In truth and in fact, at the time these advertisements were disseminated, "Mr. Coffee" filters were bleached using a new chlorine dioxide bleaching process. Some elemental chlorine was still present, and the process continued to generate environmentally harmful byproducts associated with chlorine bleaching. Although fewer environmentally harmful byproducts were released than previously, they were not eliminated in the sludge byproduct of the manufacturing process. Therefore, the representations set forth in paragraph five were, and are, false and misleading.

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit B, respondent has represented, directly or by implication, that because "Mr. Coffee" filters are cleaned and whitened using a new process not involving traditional chlorine bleaching, environmentally harmful byproducts from the cleaning and whitening process have been virtually eliminated, that is, reduced to an insignificant level.

PAR. 8. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisement attached as Exhibit B, respondent has represented, directly or by implication, that at the time it made the representation set forth in paragraph seven, respondent possessed and relied upon a reasonable basis for such representation.

PAR. 9. In truth and in fact, at the time respondent made the representation set forth in paragraph seven, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph eight was, and is, false and misleading.

PAR. 10. The aforesaid product labeling (Exhibit D) included the following statements on both sides of the package:

RECYCLABLE
RECYCLED PAPER

PAR. 11. Through the use of the statements contained in the advertisements referred to in paragraph ten, including but not limited to the advertisement attached as Exhibit D, respondent has represented, directly or by implication, that both the paperboard package and "Mr. Coffee" paper filters are made from recycled paper.

PAR. 12. In truth and in fact, "Mr. Coffee" paper filters are not made from recycled paper. Therefore, the representation set forth in paragraph eleven was, and is, false and misleading.

PAR. 13. Through the use of the statements contained in the advertisements referred to in paragraph ten, including but not necessarily limited to the advertisement attached as Exhibit D, respondent has represented, directly or by implication, that the "Mr. Coffee" paperboard package is recyclable.

PAR. 14. In truth and in fact, while the "Mr. Coffee" paperboard package is capable of being recycled, the vast majority of consumers cannot recycle the package because there are only a few collection facilities nationwide that accept that type of paperboard package for recycling. Therefore, the representation set forth in paragraph thirteen was, and is, false and misleading.

PAR. 15. Through the use of the "recyclable" statements contained in the advertisements referred to in paragraph ten, including but not necessarily limited to the advertisements attached as Exhibit D, respondent has represented, directly or by implication, that at the time it made the representation set forth in paragraph thirteen, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 16. In truth and in fact, at the time respondent made the representation set forth in paragraph thirteen, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph fifteen was, and is, false and misleading.

PAR. 17. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

Commissioner Owen not participating.

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EXHIBIT A

Here's why Mr. Coffee Filters
Are Best for Coffee Lovers and Nature Lovers



1. No Chlorine. The process of paper bleaching and whitening without using chlorine means a filter which has been found to taste undesirable byproducts.
2. Saves Trees. The manufacturing process wastes less of the wood fiber so Mr. Coffee consumes significantly fewer trees in making its filters.
3. Better Flavor. Best of all, most people who tested these filters said they make better tasting coffee.

Mr. Coffee filters are also stiffer and less likely to collapse. They will not overflow, even in the new faster brewing "Expert" Electronic Coffeemaker.

C-3486
B153243



MR. COFFEE

MR. COFFEE

FILTERS

MR. COFFEE

MR. COFFEE

100

8-12 cup size

UF100

MR. COFFEE

MR. COFFEE

100 Chlorine free process.

Better tasting coffee.

MR. COFFEE

MR. COFFEE, INC.

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EXHIBIT B

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Here's Why Mr. Coffee Filters Are Better for Coffee Lovers and Nature Lovers



1. Chlorine Byproducts: This exclusive paper is cleaned and whitened using a new process that has virtually eliminated environmentally harmful byproducts created by traditional chlorine bleaching methods.

2. Saves Trees: The manufacturing process wastes less of the wood fiber, so Mr. Coffee consumes significantly fewer trees in making its filters than filter manufacturers using the traditional process.

3. Better Flavor: Best of all, most coffee drinkers who tested these filters in their own homes said they made better tasting coffee than the filters they had been using.

Mr. Coffee filters are also stiffer, and less likely to collapse. They will not overflow, even in coffeemakers with Mr. Coffee's new Accelerated Brewing system.

**RINE-FREE
FILTERS.
BETTER-
TASTING
COFFEE.**



The choice of coffee lovers.
 And nature lovers, too.

50¢ OFF

To Consumer: Only one coupon is redeemable per purchase. You pay any sales tax. Any other use constitutes fraud. To Dealer: This coupon will be redeemed for their value plus 6¢, provided you and your consumer have complied with the terms of this offer. Coupon is good only on Mr. Coffee, blender or cone blenders and any other use constitutes fraud. Void where prohibited, taxed or restricted by law. Offer limited to one coupon per product. Redeem by mailing to: Mr. Coffee, PO Box 620113, El Paso, Texas 86567-0113. See Mr. Coffee, 1100 W. 14th St., El Paso, Texas 79902.

Manufacturer's Country	Foreign Manufacturer
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Mr Coffee basket or

50¢ OFF

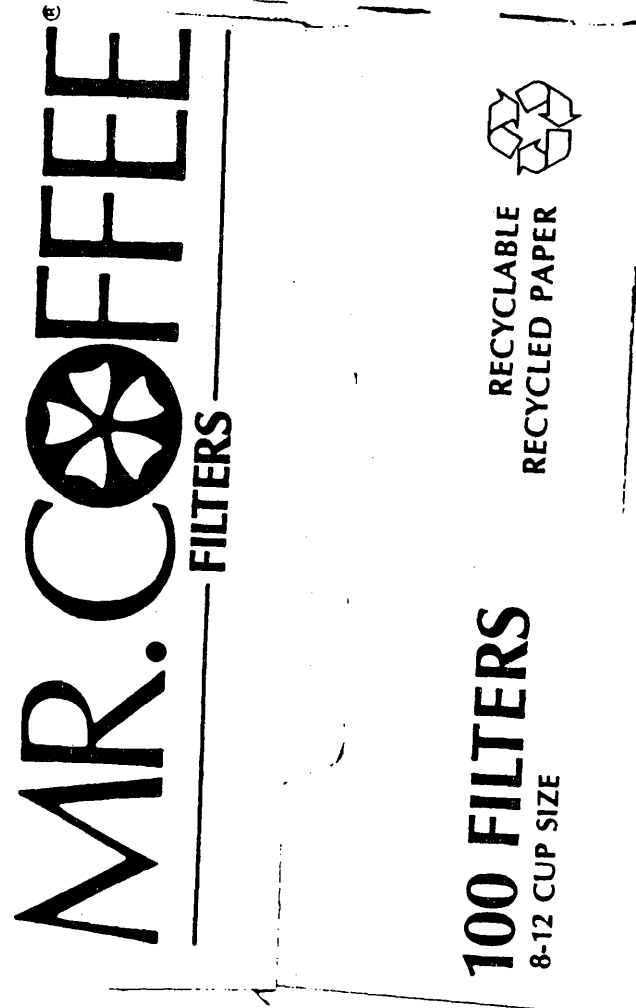
To Consumer: Only one coupon is redeemable per purchase. You pay any sales tax. Any other use constitutes fraud. To Dealer: This coupon will be redeemed for their value plus 6¢, provided you and your consumer have complied with the terms of this offer. Coupon is good only on Mr. Coffee, blender or cone blenders and any other use constitutes fraud. Void where prohibited, taxed or restricted by law. Offer limited to one coupon per product. Redeem by mailing to: Mr. Coffee, PO Box 620113, El Paso, Texas 86567-0113. See Mr. Coffee, 1100 W. 14th St., El Paso, Texas 79902.

Manufacturer's Country	Foreign Manufacturer
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DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the above caption, and the respondent having been furnished thereafter with a copy of a draft complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft complaint, a statement that the signing of the agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comment filed thereafter by interested persons pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Mr. Coffee, Inc. ("Mr. Coffee") is a Delaware corporation with its office and principal place of business located at 24700 Miles Road, Bedford Heights, Ohio.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent and the proceeding is in the public interest.

ORDER

I.

A. *It is ordered*, That respondent Mr. Coffee, Inc., a corporation, its successors and assigns, and its officers, representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, promotion, offering for sale, sale, or distribution of any paper product or package in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, in any manner, directly or by implication, the extent to which:

- (1) Chlorine is used in the manufacture of any such product or package;
- (2) Harmful byproducts result from the manufacture of any such product or package;
- (3) Any such product or package is made from recycled materials;
- (4) (i) Any such product or package is capable of being recycled; or (ii) The extent to which recycling collection programs for any such product or package are available.

B. Provided, however, respondent will not be in violation of part I(A)(4)(ii) of this order, in connection with the advertising, labeling, offering for sale, sale, or distribution of any non-corrugated paperboard or cardboard product or package, if it truthfully represents that any such product or package is recyclable, provided that the labeling of such product or package and any advertising referring to the recyclability of such product or package discloses clearly, prominently, and in close proximity to such representation:

- (a) That such product or package is recyclable in the few communities with recycling collection programs for non-corrugated paperboard or cardboard; or
- (b) The approximate number of U.S. communities with recycling collection programs for such product or package; or
- (c) The approximate percentage of the U.S. population or of U.S. communities to which recycling collection programs for such product or package are available.

For purposes of this order, a disclosure elsewhere on the product package shall be deemed to be "in close proximity" to such representation if there is a clear and conspicuous cross reference to the disclosure. The use of an asterisk or other symbol shall not constitute a clear and conspicuous cross-reference. A cross-reference shall be deemed clear and conspicuous if it is of sufficient prominence to be readily noticeable and readable by the prospective purchaser when examining the part of the package on which the representation appears.

II.

It is further ordered, That respondent Mr. Coffee, Inc., a corporation, its successors and assigns, and its officers, representatives, agents, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, promotion, offering for sale, sale, or distribution of any product packaging or paper product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that any such product packaging or paper product offers any environmental benefit, unless at the time of making such representation, respondent possesses and relies upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates such representation. For purposes of this order, competent and reliable scientific evidence shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

III.

It is further ordered, That respondent may continue to deplete its existing inventory of "Mr. Coffee" filter product packaging in the normal course of business without violating this order until August 31, 1993.

IV.

It is further ordered, That for five years after the last date of dissemination of any representation covered by this order, respondent, or its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations, or other evidence in respondent's possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including complaints from consumers.

V.

It is further ordered, That respondent shall distribute a copy of this order to each of its officers and supervising employees engaged in the preparation and placement of advertisements, promotional materials, product labels or other such sales materials covered by this order.

VI.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the corporation such as a dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations under this order.

VII.

It is further ordered, That respondent shall, within sixty (60) days after service of this order upon it, and at such other times as the Commission may require, file with the Commission's report, in writing, setting forth in detail the manner and form in which it has complied with this order.

Commissioner Owen not participating.

Complaint

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IN THE MATTER OF

MACE SECURITY INTERNATIONAL, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3487. Complaint, Mar. 25, 1994--Decision, Mar. 25, 1994*

This consent order requires, among other things, the Vermont-based marketers to have competent and reliable evidence to support any claims about the efficacy or performance of any chemical self-protection product they sell and to include cautionary disclosures, in their advertisement and with their product, about the limitations of the product on armed, enraged, drugged, or intoxicated assailants. The order also requires the respondents to substantiate any future claims they make about any attribute of any chemical self-protection product they sell, and to send a notice of the settlement to distributors and consumers.

*Appearances*For the Commission: *Alice Au* and *Michael J. Bloom*.For the respondents: *Mark R. Butterfield*, Rutland, VT.

COMPLAINT

The Federal Trade Commission, having reason to believe that MACE Security International, Inc., a corporation, Personal Security, Inc., a corporation, and Jon E. Goodrich, Robert P. Gould, and James Kardas, individually and as officers and directors of said corporations, ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent MACE Security International, Inc. is a Delaware corporation, with its principal office or place of business at 160 Benmont Avenue, Bennington, Vermont. Respondent was formerly doing business as Mark Sport, Inc.

Respondent Personal Security, Inc. is a Vermont corporation, with its principal office or place of business at 160 Benmont Avenue, Bennington, Vermont.