

# FTC news

Federal Trade Commission *Washington, D.C. 20580*

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## MR. COFFEE AGREES TO SETTLE FTC CHARGES THAT IT MADE DECEPTIVE ENVIRONMENTAL CLAIMS FOR FILTERS, PACKAGE

Mr. Coffee, Inc. has agreed to settle Federal Trade Commission charges that it made false and unsubstantiated environmental claims for its coffee filters and packaging. The settlement agreement addresses charges related to representations by Mr. Coffee that the filters are manufactured with a new, "chlorine-free process" that eliminates the release of environmentally-harmful byproducts associated with traditional chlorine bleaching, that the filters are made from recycled paper, and that the paperboard packaging for the filters is recyclable. Under the proposed settlement agreement, Mr. Coffee would be prohibited from making these or other false or unsubstantiated environmental claims for any paper product or package it markets in the future.

Mr. Coffee is a Bedford Heights, Ohio, company that manufactures coffee makers, filters and other products. This FTC case is another in a series involving allegedly unsubstantiated or false environmental marketing claims, and the first to involve chlorine-free, recycled-content and recyclable claims. Several other environmental marketing cases are being announced today as well. In addition, last year the FTC issued guidelines for marketers making environmental claims to help reduce consumer confusion about what various claims mean, and to help prevent the false and misleading use of environmental claims.

### Chlorine-Related Claims:

According to the FTC complaint detailing the charges in this case, the package for Mr. Coffee filters included the following statements:

-- "Chlorine-free process;" and

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-- "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."

Also, the FTC alleged, a print ad stated that Mr. Coffee's "new chlorine-free" filters are "good...for the environment," and that the "special manufacturing process whitens without elemental chlorine...."

The FTC alleged that through these and other statements, Mr. Coffee falsely represented that the filters are manufactured without the use of chlorine, and that because of this, no undesirable byproducts associated with traditional chlorine bleaching are released into the environment during manufacturing. According to the complaint, at the time the ads ran, some elemental chlorine was still present in the new chlorine dioxide bleaching process. Moreover, although the new process released fewer environmentally-harmful byproducts than before, they were not eliminated in the sludge byproduct of the manufacturing process, the FTC charged.

The FTC also charged that Mr. Coffee did not possess and rely upon a reasonable basis to substantiate the representation that the new process "virtually eliminates environmentally harmful byproducts" -- that is, reduces them to an insignificant level.

The Recycled and Recyclable Claims:

The FTC complaint also cited the statements, "RECYCLED PAPER" and "RECYCLABLE" contained on the Mr. Coffee filters package. The FTC charged that, through these statements, Mr. Coffee falsely represented that its filters are made of recycled paper, and that the paperboard package is recyclable. In fact, according to the complaint, Mr. Coffee filters are not made of recycled paper, and although the package is capable of being recycled, the vast majority of consumers cannot recycle it because only a few collection facilities exist nationwide that accept that type of paperboard for recycling.

The Settlement Agreement:

The proposed consent agreement to settle these charges, announced today for public comment, would prohibit Mr. Coffee from misrepresenting, in connection with marketing any paper product or package, the extent to which:

- chlorine is used in the manufacturing process;
- harmful byproducts result from the manufacturing process;
- the item is made from recycled materials;
- the item is capable of being recycled; and

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-- recycling collection programs for the item are available.

In addition, Mr. Coffee would be prohibited from making any unsubstantiated representation that any product packaging or paper product it markets offers any environmental benefit.

The proposed settlement would permit Mr. Coffee to truthfully claim in the future that any non-corrugated paperboard or cardboard product or package is recyclable, as long as it discloses clearly and prominently certain information about the current availability of recycling facilities. Mr. Coffee would be required to disclose either:

-- that such products are recyclable in the few communities with recycling collection programs for such materials; or

-- the approximate number or percentage of U.S. communities, or the approximate percentage of the U.S. population, with access to recycling collection programs for such materials.

The settlement would permit Mr. Coffee to use its existing inventory of packaging until Aug. 30, 1993. Finally, the settlement contains provisions that would assist the FTC in monitoring Mr. Coffee's compliance with the settlement.

The vote to accept the proposed consent agreement for public comment was 5-0. It will be published in the Federal Register shortly and will be subject to public comment for 60 days, after which the Commission will decide whether to make it final. Comments should be addressed to the FTC, Office of the Secretary, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

**NOTE:** A consent agreement is for settlement purposes only and does not constitute an admission of a law violation. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions. Each violation of such an order may result in a civil penalty of \$10,000.

Copies of the complaint and proposed consent agreement, an analysis of the agreement to assist the public in commenting, and the FTC's Guidelines for Environmental Marketing Claims, are available from the FTC's Public Reference Branch, Room 130, at the above address; 202-326-2222; TTY for the hearing impaired 202-326-2502.

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