UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman

Julie Brill

Maureen K. Ohlhausen Joshua D. Wright

In the Matter of

MacNeill Engineering Company, Inc.,
a corporation, also d/b/a

CHAMP

Docket No. C-4422

COMPLAINT

The Federal Trade Commission, having reason to believe that MacNeill Engineering Company, Inc., also d/b/a CHAMP ("respondent"), has violated provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

- 1. Respondent MacNeill Engineering Company, Inc., is a Massachusetts corporation with its principal office or place of business at 140 Locke Drive, Marlborough, MA 01752.
- 2. Respondent advertises, offers for sale, sells, and distributes athletic gear, including ZARMA FLYTees golf tees ("FLYTees"), to the public throughout the United States. Respondent advertises these goods on its website, www.champspikes.com. Respondent also offers for sale, sells, and distributes these goods through various online and brick-and-mortar retailers throughout the United States. Respondent advertises that FLYTees are biodegradable because of an additive from ECM Biofilms, Inc.
- 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.
- 4. To induce consumers to purchase FLYTees golf tees, respondent disseminates, has disseminated, or has caused to be disseminated advertisements, including, but not limited to, the attached Exhibits 1-2.
- 5. In its advertising, including, but not limited to, those shown in Exhibits 1-2, respondent has made the following statements and depictions:

A. Respondent's Website (Exhibit 1):

i. Combi-Pack Product Page:

"Made with environmentally friendly biodegradable materials " (Ex. 1, at 1).

ii. Biodegradability Information Page:



"FLYTees are completely biodegradable!" (Id., at 3).

"The CHAMP FLYTee is from a specially formulated sustainable bio-plastic that enables the material to maintain durability and performance, while still breaking down into CO2 and water when it is done being used. Our plastic has a market proven bio-agent additive created by ECM Biofilms, Inc. ECM's technology is a process which enables the microorganisms in the environment to metabolize the molecular structure of plastic products into humus that is beneficial to the environment." (Id.).

iii. FLYTees Sell Sheet:

"The CHAMP FLYTee is made from a specially formulated sustainable bio-plastic that enables the material to maintain durability and performance, while still breaking down into CO2 and water when it is done being used. Our plastic has a market proven bio-agent additive created by ECM Biofilms, Inc. ECM's technology is a process which enables the microorganisms in the environment to metabolize the molecular structure of plastic products into humus that is beneficial to the environment." (<u>Id.</u>, at 4).

"Material tested with ECM has been tested and proved as biodegradable and safe for the environment by using the following: ASTMD5209...ASTM5511... ISO14855 / ASTM D5338." (Id.).

iv. ECM Certificate of Biodegradability of Plastic Products:

"This is to certify that numerous plastic samples, submitted by ECM BioFilms, Inc., have been tested by independent laboratories in accordance with standard test methods.... The results of these tests and the related biodegradation and ecological impact experiments are contained in the Ecological Assessment of ECM Plastic report dated February 16, 1999, which certifies that plastic products manufactured with ECM additives can be marketed as biodegradable...This Certificate and the Ecological Assessment of ECM Plastic report, along with Scanning Electron Microscope and other studies that have been conducted since the publication of the Ecological Assessment... may be used by [the certificate holder] to validate ts [sic] claims to the biodegradability and environmental safety of plastic products that it manufactures..." (Id., at 5).

B. Respondent's Product Packaging (Exhibit 2):



(Ex. 2, at 1).

- 6. Approximately 92 percent of total municipal solid waste in the United States is disposed of either in landfills, incinerators, or recycling facilities. These customary disposal methods to not present conditions that would allow FLYTees to completely break down and decompose into elements found in nature within a reasonably short period of time.
- 7. Consumers likely interpret unqualified degradable claims to mean that the entire product or package will completely decompose into elements found in nature within a reasonably short period of time after customary disposal.
- 8. The Ecological Assessment of ECM Plastic, American Society for Testing and Materials ("ASTM") International D5511, Standard Test Method for Determining Anaerobic Biodegradation of Plastic Materials under High Solids Anaerobic Digestion Conditions ("ASTM D5511"), and other scientific tests relied on by respondent do not assure complete decomposition of FLYTees in a reasonably short period of time or in

respondent's stated timeframes, <u>e.g.</u>, nine months to five years, and do not replicate, <u>i.e.</u>, simulate, the physical conditions of either landfills, where most trash is disposed, or other disposal facilities stated in the representations.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

FALSE OR MISLEADING REPRESENTATIONS

- 9. Through the means described in Paragraphs 2, 4, and 5, respondent has represented, expressly or by implication, that:
 - A. FLYTees are biodegradable, <u>i.e.</u>, will completely break down and decompose into elements found in nature within a reasonably short period of time after customary disposal;
 - B. FLYTees are biodegradable as a result of an additive from ECM Biofilms, Inc.; and
 - C. FLYTees have been shown to be biodegradable under various scientific tests including, but not limited to, ASTM D5511.
- 10. In truth and in fact:
 - A. FLYTees will not completely break down and decompose into elements found in nature within a reasonably short period of time after customary disposal;
 - B. FLYTees will not completely break down and decompose into elements found in nature within a reasonably short period of time after customary disposal as a result of respondent's use of an additive from ECM Biofilms, Inc.;
 - C. FLYTees have not been shown to completely break down and decompose into elements found in nature within a reasonably short period of time after customary disposal under various scientific tests, including, but not limited to, ASTM D5511.
- 11. Therefore, the representations set forth in Paragraph 9 were, and are, false or misleading.

UNSUBSTANTIATED REPRESENTATIONS

12. Through the means described in Paragraphs 2, 4, and 5, in numerous instances respondent has represented, expressly or by implication, that it possessed and relied upon a reasonable basis that substantiated the representations set forth in Paragraph 9, at the time the representations were made.

- 13. In truth and in fact, at the time respondent made the representations referred to in Paragraph 9, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in Paragraph 12 is false or misleading.
- 14. Respondent's practices, as alleged in this complaint, therefore, constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

IN WITNESS WHEREOF, the Federal Trade Commission has issued this complaint against respondent and has caused it to be signed by its Secretary and its official seal to be hereto affixed, at Washington, D.C. this eleventh day of December, 2013.

By the Commission.

Donald S. Clark Secretary

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