

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of)	
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COMTRAD INDUSTRIES, INC.,)	DOCKET NO. C-3719
a corporation.)	
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)	

COMPLAINT

The Federal Trade Commission, having reason to believe that Comtrad Industries, Inc., a corporation ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Comtrad Industries, Inc. is a Virginia corporation with its principal office or place of business at 2820 Waterford Lake Drive, Suite 106, Midlothian, Virginia 23113.
2. Respondent has advertised, offered for sale, sold, and distributed products to the public through print advertisements and through the Internet 's World Wide Web, including the Koolatron, a portable electronic food cooler and warmer also known as a thermo-electric cooler.
3. The acts and practice s 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. Respondent has disseminated or has caused to be disseminated advertisements and promotional materials for the Koolatron, including but not necessarily limited to the attached Exhibits A and B. These advertisements and promotional materials contain the following statements:
 - A. **"500 miles from nowhere, it'll give you a cold drink or a warm burger . . .**

NASA space flights inspired this portable fridge that outperforms conventional fridges, replaces the ice chest and alternates as a food warmer.

Recognize the ice cooler in this picture? Surprisingly enough, there isn 't one. What you see is a Koolatron, an invention that replaces the traditional ice cooler,

and its many limitations, with a technology even more sophisticated than your home fridge. And far better suited to travel.

What's more, the innocent looking box before you is not only a refrigerator, it 's also a food warmer.

NASA inspired portable refrigerator. Because of space travel demands, scientists had to find something more dependable and less bulky than traditional refrigeration coils and compressors. Their research led them to discover a miraculous solid-state component called the thermoelectric module. "

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"From satellites to station wagons. [T]hermoelectric temperature control has now been proven with more than 25 years of use in some of the most rigorous space and laboratory applications. And Koolatron is the first manufacturer to make this technology available to families, fishermen, boaters, campers and hunters -- in fact, anyone on the move.

Home refrigeration has come a long way since the days of the ice box and the block of ice. But when we travel, we go back to the sloppy ice cooler with its soggy and sometimes spoiled food. No more! Now . . . all the advantages of home cooling are available for you electronically and conveniently.

Think about your last trip. You just got away nicely on your long-awaited vacation. You 're cruising comfortably in your car along a busy interstate with only a few rest stops or restaurants. You guessed it . . . the kids want to stop for a snack. But your Koolatron is stocked with fruit, sandwiches, cold drinks, fried chicken . . . fresh and cold. "

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"Hot or cold. With the switch of a plug, the Koolatron becomes a food warmer for a casserole, burger or baby 's bottle. It can go up to 125 degrees. "

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"Just load it up and plug it in. On motor trips, plug your Koolatron into your cigarette lighter; it will use less power than a taillight. If you decide to carry it to a picnic place or a fishing hole, the Koolatron will hold its cooling capacity for 24 hours. If you leave it plugged into your battery with the engine off, it consumes only three amps of power. "

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(Exhibit A).

- B. **"Technology combines the dependable cooling power of a refrigerator with the convenience of a cooler . . . heats food too!**

Remarkable new portable cooler/warmer reduces the outside temperature by up to 40 degrees and heat[s] up to 125 degrees!"

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Imagine the versatility and convenience of a cooler that worked like a refrigerator. You could have ice-cold drinks at softball games, enjoy a picnic without soggy or spoiled food, even store insulin or other medicine that needs to be refrigerated. You could take it along when traveling and avoid the long lines and high prices of rest areas and interstate restaurants.

Now, imagine that this cooler that worked like a refrigerator could also heat food. You could warm baby formula or enjoy warm drinks at football games, camping, hunting or anywhere else. Sound like a dream?

It's not -- the Koolatron cooler/warmer does it all. "

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"Hot or cold. One of the most innovative things about Koolatron is that it works as well to heat food as to cool it. In the cool mode, Koolatron can reduce the outside temperature by as much as 40 degrees F. With the switch of a plug, Koolatron goes from a refrigerator to a food warmer, going up to 125 degrees. **Just plug it in.** Koolatron plugs directly into your vehicle's cigarette lighter and uses less power than a taillight. If you leave it plugged in while the vehicle is off, it will consume only three amps of power. Unplugged, Koolatron will hold its cooling

capacity for up to 24 hours. "

. . . .

"Modern solution. Home refrigeration has come a long way from the "ice box" of the 1920s. But when we travel, we revert to similar methods and sloppy or spoiled food. Now, . . . the advantages of home refrigeration are available to you electronically. "

. . . .

(Exhibit B).

5. Through the means described in Paragraph 4, respondent has represented, expressly or by implication, that:

- A. The Koolatron is as effective at cooling food items and medicines as a home refrigerator.
- B. The Koolatron will effectively cool down warm items and heat up cold items.
- C. Once unplugged from a power source, the Koolatron will hold its cooling capacity for 24 hours.
- D. Operating the Koolatron off a car battery when the car is not running will result in only a minimal power drain off the car 's battery.

6. In truth and in fact:

- A. The Koolatron is not as effective at cooling food items and medicines as a home refrigerator. Among other reasons, the Koolatron 's internal cold storage temperature is highly dependent on outside air or room temperatures, and in many circumstances it will not maintain internal cold storage temperatures comparable to a home refrigerator.
- B. The Koolatron will not effectively cool down warm items or heat up cold items. The Koolatron is primarily designed to maintain the cool or warm temperatures of items that were already cool or warm before being placed in the Koolatron. It may take up to twelve hours or more for the Koolatron to cool down a warm item or heat up a cold item.
- C. In most instances, once unplugged from a power source,

the Koolatron will not hold its cooling capacity for 24 hours.

- D. Operating the Koolatron off a car battery when the car is not running does not result in a minimal power drain off the car's battery. Use of the Koolatron in this manner may drain the car battery of all power in as little as three hours.

Therefore, the representations set forth in Paragraph 5 were, and are, false or misleading.

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

8. In truth and in fact, respondent did not possess and rely upon a reasonable basis that substantiated the representations set forth in Paragraph 5, at the time the representations were made. Therefore, the representation set forth in Paragraph 7 was, and is, false or misleading.

9. In its advertising and sale of the Koolatron, respondent has represented that the Koolatron is effective, useful, or appropriate for refrigerating or cooling food items, or for holding food items at a cool temperature, including in a wide variety of outdoor settings. Respondent has failed to disclose that the Koolatron may not keep perishable food items, such as meat, poultry, and fish, sufficiently cold to prevent the growth of bacteria when the surrounding outside temperature is greater than 80 degrees Fahrenheit, including when the Koolatron is used in hot weather, in direct sunlight, or in a hot car. Use of the Koolatron in such circumstances poses a risk of buildup of harmful or unsafe bacteria and could lead to food-borne illness.

These facts would be material to consumers in their purchase or use of the product. The failure to disclose these facts, in light of the representations made, was, and is, a deceptive practice.

10. In its advertising and sale of the Koolatron, respondent has represented that the Koolatron is effective, useful, or appropriate for heating or warming food items, or for holding food items at a warm temperature. Respondent has failed to disclose that, because the Koolatron's maximum internal heating temperature of 125 degrees Fahrenheit is not high enough to kill or prevent the growth of certain bacteria in perishable food items such as meat, poultry, and fish, holding perishable food in the Koolatron in its warming mode poses a risk of buildup of

harmful or unsafe bacteria and could lead to food-borne illness.

These facts would be material to consumers in their purchase or use of the product. The failure to disclose these facts, in light of the representations made, was, and is, a deceptive practice.

11. 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.

THEREFORE, the Federal Trade Commission this twenty-fifth day of February, 1997, has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL:

[Exhibits A-B attached to paper copies of the complaint, but not available in electronic form.]