

NAD Recommends an Advertiser Modify its Green Claims

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Last month, [the FTC issued a revised version of their Green Guides](#) and a warning that they would closely scrutinize environmental claims. If you think the odds that the FTC will find your claims is low, you should remember that the FTC isn't the only entity that can challenge you -- your competitors can, too. In fact, the NAD just reviewed green claims for cookware in a challenge brought by the advertiser's competitor.

[The NAD's decision](#) involved many of the claims the FTC addressed in its Guides. For example, the NAD took issue with the advertiser's "eco-friendly" claims. Quoting the FTC, the NAD noted that unqualified environmental claims are likely to convey far-reaching environmental benefits that an advertiser cannot support. Accordingly, the NAD recommended that the advertiser stop claiming that its products are "eco-friendly."

The FTC has also warned advertisers not to overstate environmental or savings benefits. In the NAD case, the advertiser claimed that the use of its cookware could reduce energy costs. Although the advertiser presented evidence that its products could reduce energy use, the NAD found no evidence that the reductions would result in meaningful savings on energy bills. Therefore, the NAD recommended that the advertiser stop making its savings claims.

As companies become more familiar with the Green Guides and scrutinize their competitors' claims, it's likely that these types of challenges will increase. Accordingly, you should make sure you review the Green Guides and scrutinize your own claims first.