

William MacLeod Urges the Automotive Industry to Preserve Prior Resort

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Washington, DC - William C. MacLeod, Chair of Kelley Drye's Antitrust Practice Group, urged auto manufacturers to fight warranty disputes taken into court. Addressing a forum hosted by the Council of Better Business Bureaus' (BBB) AUTO LINE program, Mr. MacLeod discussed the important role that informal dispute resolution, also known as "prior resort," plays in settling issues as an alternative to litigation.

"Not only is it federal law that requires plaintiffs to use the AUTO LINE program," Mr. MacLeod explained. "But following the rules of this requirement avoids costly litigation and ensures that warranty disputes are resolved fairly and efficiently."

BBB AUTO LINE is an informal dispute resolution mechanism (IDSM) that helps automobile manufacturers and individual customers resolve issues concerning alleged manufacturing defects. However, many law firms try to circumvent the IDSMs, which in turn, encourages consumers to file cases directly against auto manufacturers.

The Magnuson-Moss Act steers routine warranty disputes away from courts and into less-expensive IDSMs such as AUTO LINE. Under the Act, some states require consumers to initially try IDSMs before filing claims under the state's lemon law, a law that establishes a standard to determine when vehicles should be replaced by the manufacturer.

Yet, some lawyers argue that IDSMs do not comply with the relevant FTC regulations. They also claim that requiring prior resort in cases that also involve claims not subject to a prior resort requirement would contravene the policy against judicial inefficiency.

Mr. MacLeod refuted these common arguments against prior resort by reviewing numerous cases that uphold the rights of manufacturers to use AUTO LINE. He explained one of the purposes of prior resort is to save time and judicial resources, which is exactly what AUTO LINE does.

To receive a copy of Mr. MacLeod's remarks, please contact Laura Templeton at 202-342-8415 or laura@sightlinemarketing.com.

About William MacLeod

William MacLeod specializes in antitrust, advertising, and trade regulation. He is a former Bureau Director at the Federal Trade Commission (FTC) and has more than 20 years of experience representing domestic and international corporations in merger challenges, investigations, and approvals, as well as counseling companies on a broad range of distribution issues. He also represents advertising challenges before the FTC, the National Advertising Division of the Council for Better Business Bureaus, and courts under the Lanham Act.

About Kelley Drye's Antitrust Practice Group

For more than 35 years, Kelley Drye has been recognized as a premiere antitrust and trade regulation firm. Its national reputation stems from a proven track record of successfully representing clients in complex competition issues arising under federal and state antitrust laws. The firm's professionals include officials from the American Bar Association (ABA) Antitrust Section and former officials of the U.S. Department of Justice Antitrust Division and the FTC.

About Kelley Drye

Kelley Drye's Washington, DC office solves competitive problems for Fortune 500 companies, privately held corporations, government entities, and trade associations in the U.S. and abroad. The firm has over 100 attorneys and professionals practicing in the following areas: Advertising and Marketing, Antitrust and Competition, Business Strategies and Transactions, Technology, Environmental, Government Relations and Public Policy, Intellectual Property, International Trade, Litigation, and Trade Associations.