LITIGATION ALERT Winter 2008

New amendments to the Department of Consumer Affairs (DACO) Regulation on Misleading Practices and Advertisements.

This regulation is intended to protect consumers from advertising practices that may create a false or misleading representation regarding the goods and services offered by commercial establishments. The regulation governs matters such as the form and contents of printed advertisements, coupons and shoppers, rain checks, sweepstakes, and others.

As a result of the new amendments, effective November 8, 2008, it is now required that all new motor vehicle advertisements include the vehicles' Miles Per Gallon (MPG), both city and highway, as determined by the U.S. Environmental Protection Agency and the U.S. Department of Energy. The MPG must appear no smaller than 1/4 the size of the name, model, and price of the vehicle.

Regarding warranties, a commercial establishment cannot charge a re-stocking fee to customers returning items that are not damaged regardless of whether they are returned in their original packaging or not.

If you have any questions or comments, or wish additional information regarding this matter, please contact Francisco G. Bruno, Director of our Litigation Practice Group at (787) 250-5608 or fgb@mcvpr.com. The contact information of our Litigation Practice Group attorneys is available at our website: www.mcvpr.com.

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