

# District Attorney Anne Marie Schubert Joins Consumer Protection Action Against Costco & JBR, Inc.



Sacramento County  
District Attorney's Office  
*Semper Justitia*

**DATE:** March 20, 2018

**CASE:** Costco Wholesale Corporation, Inc. & JBR, Inc. (doing business as San Francisco Bay Gourmet Coffee & Rogers Family Company)

**PROSECUTOR:** Deputy District Attorney Michelle Restrepo, Consumer & Environmental Protection Unit

District Attorney Anne Marie Schubert, along with 24 other District Attorney's Offices in California, settled a consumer protection action against Costco Wholesale Corporation, Inc. and JBR, Inc., a coffee company headquartered in Roseville, CA which does business as San Francisco Bay Gourmet Coffee and the Rogers Family Company. The settlement was based on allegations the companies sold plastic coffee pods labeled with untrue and misleading marketing claims related to biodegradability and compostability. The action was filed in Alameda County.

Plastic waste can take up to a thousand years to decompose. Landfills in particular tend to mummify trash rather than biodegrade it, since decomposition requires sunlight, moisture, and oxygen. Plastic waste will only decompose in municipal composting facilities if the plastic meets certain scientific standards.

California law imposes an outright ban on the sale of plastics

labeled “biodegradable” (or labeled with similar language). The Legislature found such claims are inherently misleading without thorough disclaimers regarding how quickly the product will biodegrade in a landfill or in other environments where it may be disposed. The Legislature also prohibited the sale of plastic products labeled “compostable,” unless the product passes a specified scientific test to ensure the plastic will break down in a commercial composting facility.

San Francisco Bay Gourmet Coffee’s plastic coffee pods and the plastic bags containing the pods were labeled as “97% biodegradable” and “biodegradable,” despite the legal ban regarding the sale of such products. Further, the company marketed the plastic coffee pods as compostable when the pod had not met compostability standards. The company also labeled its “Onecup” coffee pods as “No Plastic Cup,” when the ring, mesh, and part of the lid were all made of plant-based plastic.

The judgment prohibits Costco and JBR, Inc. from selling the plastic coffee pods if labeled “biodegradable.” The companies are also prohibited from selling them if labeled “compostable” unless a scientific certification supports the claim. The companies agreed to jointly pay a total of \$500,000 in civil penalties and costs.

“More consumers are choosing environmentally friendly products, and paying more for items labeled as biodegradable,” said DA Anne Marie Schubert. “It is important to protect consumers from being misled by companies who label plastic products as biodegradable, and spending money on those false claims.”