

CARU NEWS

For Immediate Release

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MATTEL WORKS WITH CARU TO ENSURE CLEAR DISCLOSURES

New York, NY – May 19, 2005 – The Children’s Advertising Review Unit of the Council of Better Business Bureaus (CARU), the children’s advertising industry’s self-regulatory forum, is pleased to announce that in response to CARU’s concerns, **Mattel Inc.** (Mattel) has committed that future advertising will more clearly feature material disclosures.

A television commercial for Mattel’s Juice Box™ Personal Media Player (the “Juice Box”), came to CARU’s attention through its routine monitoring. The commercial raised concerns with CARU’s *Self Regulatory Guidelines for Children’s Advertising* (the *Guidelines*). Two other commercials in the campaign raised similar concerns.

The Juice Box™ is a proprietary media player, which plays software called, Juice Ware. Children may also use the Juice Box™ to see digital photos, and listen to music. In order to realize the full play value of the Juice Box, as shown in the commercial, children must make additional purchases, namely Juice Ware Chips and the Juice Box MP3 Starter Kit. CARU found that the commercials did not adequately explain the need for these additional purchases.

CARU’s *Guidelines* require that disclosures that are material to children, for example, that accessories are sold separately, must be clear, understandable and prominent. CARU believes that when there is an audio component to an ad, as in television commercials, this important information should be in the audio. The commercials in question had only video disclosures.

In response to CARU’s concerns, the advertiser stated, “While Mattel believes its Juice Box television commercials were consistent with CARU’s Guidelines, we appreciate the attention CARU had given this matter and its ongoing efforts to ensure responsible advertising practices. The current flight for the Juice Box television commercials discussed in this decision is over. As always, Mattel will take CARU’s Guidelines and recommendations into consideration in future advertisements..”

CARU’s inquiry was conducted under NAD/NARB/CARU Procedures for Voluntary Self-Regulation of National Advertising. Details of the inquiry, CARU’s decision and the advertiser’s response will be included in the next NAD/CARU Case Report.

Members of the press who wish to see a copy of the decision now should email elascoutx@caru.bbb.org.

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The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation. NARC is the body that establishes the policies and procedures for the CBBB's National Advertising Division (NAD), the Children's Advertising Review Unit (CARU), and the National Advertising Review Board (NARB).

NAD and CARU are the investigative arms of the advertising industry's voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media, including the Internet. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children's advertising industry, while NAD/NARB's sole source of funding is derived from membership fees paid to the Council of Better Business Bureaus.