

Puerto Rico
Vick Center Building
867 M. Rivera Ave., Ste. D403
San Juan, PR 00925
Tel. (787) 754-9754
Fax (787) 753-5923

## e-PRESS RELEASE

Date: September, 2010

## PR Dept of Consumers Affairs amended Puerto Rico's Regulations against Misleading Practices & Advertisement

The Puerto Rico Department of Consumers Affairs (Department) held public hearings on September 22, 2010 with the intention of amending the PR Regulation against Misleading Practices & Advertising. The new regulation was rolled out, just in time for 2010's Black Friday. The most significant changes impacted the manner in which retailers need to design, implement and advertise sales of limited quantity inventory (i.e., "While supplies last sales").

Limited inventory sales have come a long way in Puerto Rico. There was a time when inventory and closing sales were all together prohibited for Black Friday and restricted for after holiday sales, unless the merchandise was relevant to the particular holiday. Then came a time when limited quantity sales were only allowed when the retailer would guarantee a minimum of 50 items per store. As foreseen, a 50-per store quota for all product items and across all industries alike was met with conceivable opposition. In 2009, the Department lifted the 50-per store limitation, soon to discover a large disparity between the scale of advertising campaigns being put out by retailers and available inventory during the term of the offer, a practice that potentially headed to bait advertising and the eschewing of rain check regulations.

Cabrera & Rico actively participated in the review and comments to the 2010 Regulation against Misleading Practices and Advertisement, also proposing language to ensure retailers' freedom in designing their own sales offers based on their known inventory capacities while preserving consumers' right to clear and detailed disclosure on time, quantity and place restrictions on the offer. The resulting regulation provided a balance between the above named competing interests of retailers and consumers by establishing a detailed advertising disclosures and formats for "while supplies last sales".

The above summary is for information purposes only.

For legal advice regarding your specific "whiles supplies last" offer, please contact Cabrera & Rico.

CABRERA & RICO (787)754-9754 services@cabrera-rico.com