

THE COMPETITION TRIBUNAL

Doc. #2

IN THE MATTER OF THE *COMPETITION ACT*, R.S.C. 1985, c. C-34, as amended;

AND IN THE MATTER OF an inquiry under subparagraph 10(1)(b)(ii) of the *Competition Act* concerning trade practices by 3628159 Canada Inc. operated as Antirouilles Électroniques TP, by Garantie Express Inc. and by its principal director, Jacques Nadeau;

AND an application for a consent order filed by the Commissioner of Competition under section 74.12 of the *Competition Act*

BETWEEN:

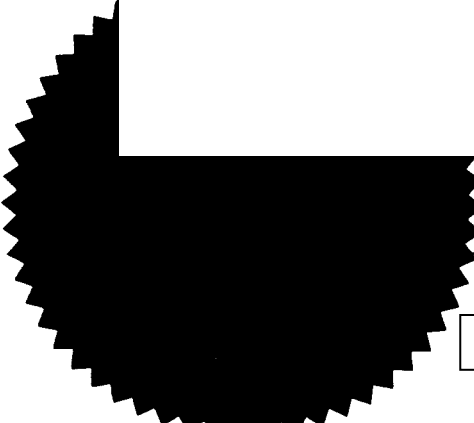
THE COMMISSIONER OF COMPETITION,

Applicant,

-and-

**3628159 CANADA INC. operated as
ANTIROUILLES ÉLECTRONIQUES TP, and
GARANTIE EXPRESS INC., and
JACQUES NADEAU**

Respondents



CONSENT ORDER

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE	
F I L E D	DEC 12 2001
REGISTRAR — REGISTRAIRE	
OTTAWA, ONT.	1

Further to the consent of the Commissioner of Competition and the respondents to the immediate registration of a consent order under section 74.12 of the *Competition Act*, R.S.C. 1985, c. C-34 (the Act),

AND WHEREAS 3628159 Canada Inc., doing business as Antirouilles Électroniques TP, Garantie Express Inc. and Mr. Jacques Nadeau (the respondents), promoted the product Total Protection, an electronic anti-corrosion device, and a limited lifetime performance warranty, on pamphlets and posters at the point of sale, namely at several rustproofing product installation centres and at certain car and light truck dealerships, and in newspapers and on the radio;

AND WHEREAS, the respondents have made false or misleading representations to the public and their representatives for the purpose of promoting the sale and installation of Total Protection electronic anti-corrosion devices in a material respect and specifically:

1. that the Total Protection electronic anti-corrosion device provides 100% rust protection on both sides of the metal of all new vehicles up to 5,000 pounds and reduces the amount of rust already present ("*rouille créée*") by 70%;
2. that the Total Protection electronic anti-corrosion device is the world's most recognized electronic rust proofing product for protecting vehicles against rust;
3. that the Total Protection technology protects areas where the paint or galvanization layer of a vehicle is missing by emitting an electrical signal that is transformed into free electron pulses;

4. that Total Protection offers 100% vehicle protection while chemical coatings and other conventional rustproofing products offer 30% protection;
5. that Total Protection offers a lifetime operating warranty and a limited lifetime performance warranty.

and that the Commissioner of Competition considers that these false or misleading representations raise issues under paragraph 74.01(1)(a) of the Act;

AND WHEREAS the respondents made representations to the public regarding the performance, effectiveness and durability of the electronic anti-corrosion device that were not based on a sufficient and proper test and that these representations raise issues under paragraph 74.01(1)(b) of the Act according to the Commissioner of Competition;

AND WHEREAS the respondents have made representations to the public in a form that makes it appear that a warranty to maintain or repair rust on a vehicle is involved when this form of purported warranty has no reasonable expectation of being honoured and these representations raise issues under paragraph 74.01(1)(c) of the Act according to the Commissioner of Competition.

THE PARTIES CONSENT TO THE REGISTRATION WITH THE COMPETITION TRIBUNAL OF AN ORDER PROVIDING THE FOLLOWING:

1. The respondents and any person acting for or on behalf of the respondents, including their officers, employees, agents or assigns,

must cease making representations, by any means, including the Internet, and cease causing or permitting to be made or made available false or misleading representations that are used directly or indirectly in the promotion or marketing of the aforementioned Total Protection electronic anti-corrosion device or any other similar promotion.

2. The respondents shall cease the promotion or any other form of marketing of the Total Protection electronic anti-corrosion device by ensuring:
 - a. that the respondents, all representatives of the respondents, all automobile dealerships and anti-corrosion product installation centres cease all forms of advertising of the Total Protection device ;
 - b. that all advertising materials used by the representatives, dealers and installation centres, including waiting room signs, billboards, outdoor signs and sales literature, be returned to the respondents;
 - c. that all Total Protection devices not sold by the representatives, dealers and installation centers be returned to the respondents.
3. The respondents shall cancel all sales, installation and distribution contracts with dealers, corrosion control installation centres and distributors of such products;

4. The respondents shall notify in writing (Appendix “A”) all dealers, anti-rust installation centres and distributors of such products of the existence of this order, the obligation to cease the sale of the Total Protection device and return all advertising materials, and the consumer's choice to keep the device and/or the extended warranty or to return them for a refund;
5. The respondents shall send a notice (Appendix “B”) advising all consumers who purchased the Total Protection device of the existence of this order and the choice they have to either keep the Total Protection device and/or the extended warranty or return them to the respondents at the address listed in the Appendix for a refund;
6. The respondents shall refrain from reintroducing, directly or indirectly, the Total Protection product or any other similar product to the Canadian market without sufficient and appropriate testing.
7. This order shall be enforceable for ten years from the date of its registration.
8. The parties acknowledge and agree that this Order shall have effect as if it had been made by the Competition Tribunal, as provided in subsection 74.12(2) of the *Competition Act*.



DATED this 6th day of December 2001

Raymond Pierce
Raymond Pierce

Deputy Commissioner

FAIT ce 13 jour de novembre 2001

Jacques Nadeau
Jacques Nadeau

In his capacity as president
and director of 3628159
Canada Inc.

Caroline Bibeau
Witness

Jacques Nadeau
Jacques Nadeau

In his capacity as secretary
and director of Garantie
Express Inc.

Caroline Bibeau
Witness

To whom it may concern:

Further to the mutual consent of the Commissioner of Competition of the Competition Bureau of Industry Canada and the company 3628159 Canada Inc. doing business as Antirouilles Électroniques TP, the company Garantie Express Inc. and Jacques Nadeau in his capacity as president and secretary of these companies, an order was issued by the Competition Tribunal under section 74.01 of the *Competition Act* concerning misleading representations made to the public in order to promote the sale of the “Total Protection” electronic anti-corrosion device and a limited lifetime performance warranty against rust on vehicles.

According to the terms of this order, we inform you that the company 3628159 Canada Inc. doing business as Antirouilles Électroniques TP can no longer sell the “Total Protection” electronic anti-corrosion device and that the company Garantie Express Inc. can no longer sell a limited lifetime performance warranty against rust in the Canadian market.

You must therefore cease all sales and representation of the “Total Protection” device and return all unsold devices and advertising material to the address mentioned at the end of this letter by (date).

We would also like to inform you that all those who purchased the “Total Protection” device and/or the Limited Lifetime Rust Performance Warranty have received a letter offering them either to keep the “Total Protection” device and the Limited Warranty or to obtain a refund. For those customers who choose to keep the device, a full warranty and rust insurance program will be maintained by Antirouilles Électroniques TP and Garantie Express Inc. The conditions and exclusions of the limited warranty that was originally sold will no longer apply and their vehicles will be covered against any manifestation of rust for eight years after the vehicles original in-service date.

However, if customers wish to return the “Total Protection” device and the limited warranty for a refund or if they need any other information concerning this subject, please ask them to contact us at (area code) 000-0000 or 1- 800- 000- 0000 for those outside Canada. They can also reach us by fax at (area code) 000-0000, or write to us at (full address where the unit and warranty can be returned).

Regards,

Jacques Nadeau
President
Antirouilles Électroniques TP

Secretary
Garantie Express Inc.

APPENDIX “B”

HEADER of:

ANTIROUILLES ÉLECTRONIQUES TP
(3628159 Canada Inc.)

and GARANTIE EXPRESS INC.

ADDRESS OF:
CONSUMER

SUBJET: “Total Protection” electronic rust protection

To whom it may concern:

Further to the mutual consent of the Commissioner of Competition of the Competition Bureau of Industry Canada and the company 3628159 Canada Inc. doing business as Antirouilles Électroniques TP, the company Garantie Express Inc. and Mr. Jacques Nadeau in his capacity as president and secretary of these companies, an order was issued by the Competition Tribunal under section 74.01 of the *Competition Act* concerning misleading representations made to the public in order to promote the sale of the “Total Protection” electronic anti-corrosion device and a limited lifetime performance warranty against rust on vehicles.

According to the terms of this order, we inform you that the company 3628159 Canada Inc. doing business as Antirouilles Électroniques TP can no longer sell the “Total Protection” electronic anti-corrosion device and that the company Garantie Express Inc. can no longer sell a limited lifetime performance warranty against rust in the Canadian market.

We would also like to inform you of the following options regarding the “Total Protection” device and the limited lifetime rust performance warranty. You have the choice of either keeping the “Total Protection” device and the limited warranty or getting a refund. If you choose to keep the device, a full warranty and rust insurance program will be maintained by Antirouilles Électroniques TP and Garantie Express Inc. The conditions and exclusions of the limited warranty that was originally sold will no longer apply and your vehicle will be covered against any manifestation of rust for eight (8) years after the original in-service date of your vehicle.

However, if you wish to return the “Total Protection” device and the limited warranty for a refund or if you need any other information concerning this subject, please contact us at (area code) 000-0000 or 1- 800- 000-0000 for those outside Canada. You can also reach us by fax at (area code) 000-0000, or write to us at (complete address where the unit and warranty can be returned).

PLEASE NOTE THAT YOU HAVE A MAXIMUM OF 120 DAYS FROM THE DATE OF THIS LETTER TO DECIDE WHETHER TO KEEP OR RETURN THE PRODUCTS. AFTER THIS DATE, WE WILL CONSIDER THAT YOU HAVE CHOSEN TO KEEP THE PRODUCTS AND TAKE ADVANTAGE OF THE 8-YEAR WARRANTY.

Regards,

Jacques Nadeau
President
Antirouilles Électroniques TP

Secretary
Garantie Express Inc.