

General Mills Tests the Limits of Arbitration Clauses and Falls Over the Edge

SAN DIEGO, CA, USA, May 27, 2014 /EINPresswire.com/ -- Food manufacturing giant General Mills adopted very aggressive measures in getting consumers to adopt a forced arbitration clause and found it bit off more than it could chew last month, according to an article on Public Justice. The company makes Cheerios, Wheaties and Betty Crocker products, among many others.

The language initially adopted by General Mills stated that when a consumer interacted with the company in certain ways, such as viewing its website, downloading coupons, subscribing to e-mails and entering contests, he or she gave up their right to participate in any class action lawsuit against the company and, if something went wrong with their products, the consumer could only pursue their legal claims through arbitration.

General Mills' arbitration clause was unusual in several ways, most importantly in how members of the public supposedly were going to agree to it. Instead of going into effect when a person signed a written agreement or clicked "I agree" to a set of internet terms and conditions, General Mills took the position that a consumer would abandon his or her legal right to a trial or class action status simply by visiting its website.

Consumers find proposal distasteful, backlash hard for General Mills to swallow

Thanks in good part to the power of social media, consumers took notice and a shower of negative publicity, including a New York Times article, flowed into General Mills' corporate cereal bowl like so much sour milk. Those consumers, connecting with friends and family on social media, voiced their opposition to General Mills' proposed legal language. The negative feedback was so harsh that General Mills backtracked on the issue.

After the storm of protest, General Mills stated on its website, "there's no mention of arbitration, and the arbitration provisions we had posted were never enforced. Nor will they be," according to the Christian Science Monitor. The company claimed the proposed change regarding arbitration "would have simply streamlined how complaints are handled." The process certainly would have been more streamlined, but it also would have stacked much of the legal deck against consumers.

General Mills' proposal is just a taste of what corporations may have planned

The Christian Science Monitor article predicts consumers will see more arbitration clauses in the future.

Because online technology is so pervasive, consumers are increasingly being asked to agree to contracts they may not agree with – if they read them at all. The time may come when companies publish the fine print of such contracts on the products themselves, making the act of purchasing them an agreed-upon acknowledgement of the terms. To date, no law exists to prevent that.

“Theoretically, there’s nothing to stop General Mills from putting arbitration clauses on its Cheerios boxes, or Starbucks on its cups. The question is whether that would be enforceable and certainly there is some fear that it would be,” (National Consumer Law Center attorney David) Seligman says. “We’re not seeing it on consumer products yet, but there is nothing in the law that would stop the company from doing it.”

Corporations wield a lot of power and they prefer any potential legal claims by consumers be heard in the business friendly confines of private arbitration hearings. Consumers will increasingly be asked to waive their legal rights in the future, through increasingly inventive ways and smaller and smaller print. But enough Americans stood up to General Mills for trying to game the system in their favor in a very back handed way. Consumers will need to continue to be vigilant and stand up for their rights, or the loss of their legal rights will be force fed to them.

Consumers need to stand up for their rights, and we can help them. We protect the rights of consumers in cases of fraudulent, unfair, or deceptive practices that may result in financial losses or other harm. If you have questions about your consumer rights or think your rights have been violated, contact our office at <http://www.kellergrover.com>.

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