



**House  
Legislative  
Analysis  
Section**

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**LABELING PLASTIC CONTAINERS**

House Bill 4711 with committee amendments  
First Analysis (5-3-89)

MAY 23 1989  
Mich. State Law Library

Sponsor: Rep. James A. Kosteva  
Committee: Conservation, Recreation, & Environment

***THE APPARENT PROBLEM:***

Public Act 414 of 1988 established a labeling code for certain plastic resins to allow recyclers and others to determine the resins used in certain plastic containers. It is almost unanimously agreed that the establishment of a plastics labeling system is a positive development for the recycling industry. However, there are two corporations, PET Inc. and PBC Container Corp., that object to the labeling system that many states, including Michigan, have developed for the plastic resin polyethylene terephthalate. PET Inc. (PET) and PBC Container Corp. hold the trademark for use of the letters "PET" to describe the plastic polyethylene terephthalate. It is the position of the PET corporation that the abbreviations "PET" or "PETr" "could infringe or dilute its PET trademark, trade and corporate name," according to the Agreement Between the Society of the Plastics Industry, Inc. (SPI) and PET Inc. Concerning a Designation for Polyethylene Terephthalate Material. It is quite possible that PET would pursue a lawsuit concerning the "PET" designation; indeed, the agreement between SPI and PET has been reputed to have come about due to such a threat. SPI is now recommending the use of the letters "PETE" to describe polyethylene terephthalate. All of the states that enacted codes specifically requiring the use of the letters "PET" to designate polyethylene terephthalate are now modifying their laws. In addition, many in the plastics industry have vowed not to comply with laws designating the use of the letters "PET" to denote polyethylene terephthalate because of possible lawsuits concerning PET's trademark rights.

***THE CONTENT OF THE BILL:***

The bill would amend the plastic labeling code act to change the labeling code for polyethylene terephthalate from "PeTt" to "PETE" and to clarify labeling provisions within the act.

MCL 299.481 and 299.482

***FISCAL IMPLICATIONS:***

According to the Department of Natural Resources, the bill would have no fiscal implications for the state. (5-2-89)

***ARGUMENTS:***

***For:***

The labeling of plastic containers for the identification of plastic resins is an important component of the recycling effort in Michigan. The system makes recycling easier by enabling recyclers to identify exactly which materials they are using. Once recyclers know which materials they are handling, they can more accurately determine how to recycle plastics. The bill will keep Michigan's labeling law consistent with the labeling laws of other states and recommendations by SPI. In addition, the bill will help the state avoid potential trademark suits from PET Inc. and PBC Container Corp.

***POSITIONS:***

- The Department of Natural Resources supports the bill. (5-2-89)
- The Ecology Center supports the bill. (5-2-89)
- The Michigan Recycling Coalition supports the bill. (5-2-89)
- The Michigan United Conservation Clubs supports the bill. (5-2-89)
- The Sierra Club - Mackinac Chapter supports the bill. (5-2-89)

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