

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK
BUFFALO DIVISION**

Glenn Coe, individually and on behalf of all
others similarly situated,

Plaintiff,

- against -

The Coca-Cola Company,

Defendant

1:22-cv-00430

Class Action Complaint

Jury Trial Demanded

Plaintiff alleges upon information and belief, except for allegations pertaining to Plaintiff, which are based on personal knowledge:

1. The Coca-Cola Company (“Defendant”) manufactures, markets, labels and sells beverages which contain alphanumeric codes printed inside bottle caps that allow participation in its rewards program it manages to redeem these codes.



I. REWARD PROGRAMS

2. Companies utilize reward or loyalty programs to encourage customers to purchase their products or services through brand loyalty and lock-in effects.

3. These programs are similar to discount programs, because the customer becomes eligible to receive the discount after a certain number of purchases are made.

4. At least three-quarters of consumers consider a rewards program a significant factor in deciding on how to spend their money.

5. Consumers understand a reward similar to its dictionary definition, as “something that is given in return for good or evil done or received or that is offered or given for some service or attainment.”

II. COKE REWARDS PROGRAM

6. The Coke Rewards program began by offering customers the ability to redeem bottle caps and other proofs of purchase for things of value, such as movie tickets or gift cards.

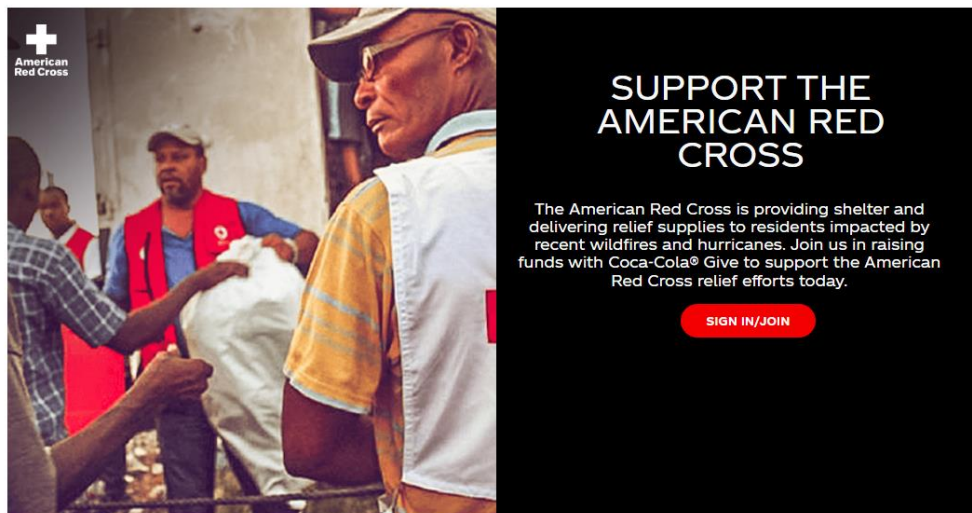
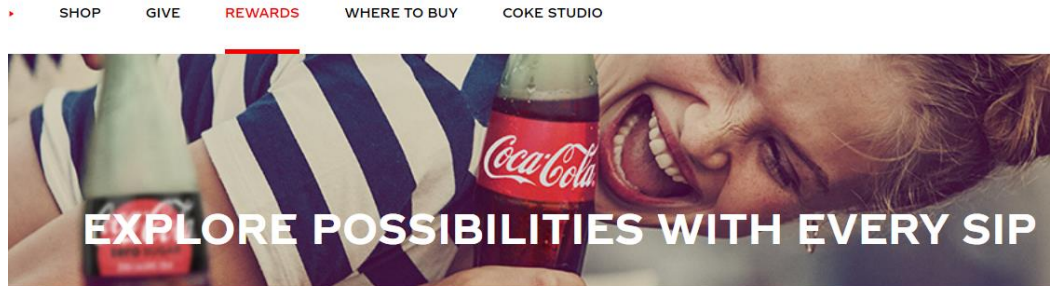
7. Several years later, the Program was modified to eliminate or reduce the frequency of prizes and replaced with the ability to participate in raffles and contests.

8. A more recent update to the [Rewards](#) program answers common customer questions, such as, “How do I earn rewards?:”

There are a variety of ways to get rewarded for drinking your favorite beverages from The Coca-Cola Company®. Each available offer on the [Rewards page](#) will have its own method of participation. When you find an offer you’re interested in, follow the instructions on the banner to get started.

9. However, the Rewards Program no longer provides any things of value to customers, even though it is still described prominently as a Rewards program.

10. Instead, customers are only able to donate their accumulated rewards to pre-selected charities, such as the American Red Cross.



11. While Americans have one of the highest personal charitable donation rates in the world, this is based on their own generosity and ability to choose the organizations they support.

III. COKE REWARDS ARE UNLAWFUL “TRADING STAMPS”

12. Defendant continues to sell Coke products with reward codes, even though the only benefit is to donate their accumulated value to one of its selected non-profit groups.

13. The alphanumeric codes imprinted on the caps and cases are a modern form of a “Trading stamp,” defined as “any stamp or similar device issued in connection with the retail sale of merchandise or service, as a cash discount or for any other marketing purpose, which entitles the rightful holder, on its due presentation for redemption, to receive merchandise, service or cash.”

GBL § 570(1).

14. Trading stamps were an early form of a loyalty or rewards program, and were small paper stamps issued to customers by manufacturers and/or merchants.

15. The State Legislature recognized the economic and societal harms caused by trading stamps, and enacted laws to regulate their use.

16. Violation of these laws is a misdemeanor with a fine of up to \$500. GBL § 579(1).

17. In establishing requirements for trading stamps, the State recognized that trading stamps (1) encourage customers to make purchases they otherwise might not make, (2) increase prices because the price of the product was raised by the cost of the stamp, (3) prevent price comparison, (4) are subject to high rates of non-redemption, and (5) are subject to frequent program changes which eliminates or significantly reduces the value accumulated by customers.

18. Similar to trading stamps, the Coke reward codes have minimal cash value of a few mils (thousandths of a dollar) individually.

19. When a customer accumulated a number of them, they could be exchanged with a trading stamp company for discounts or premiums, such as toys, personal items, housewares, furniture and appliances.

20. Defendant's Rewards are marketed contrary to state law, because they do not have "legibly printed upon [their] face a cash value determined by the company in cents or any fraction thereof," which meant Plaintiff and other holders were not able to "redeem the stamps in cash when duly presented to the company for redemption in a number having an aggregate cash value of not less than one dollar." GBL § 571(1)-(2).

21. This requirement was designed to prevent customers, like Plaintiff, from being left without any value in the event of their accumulation of non-redeemable reward codes.

22. Trading stamp programs, such as Defendant's Rewards program, are required to be registered with the Secretary of State, to facilitate review samples of its reward codes prior to offering them to customers. GBL § 572.

23. Upon information and belief, the Secretary of State did not review and approve Defendant's Rewards program.

24. Defendant failed to file the required security or bond with the State, the purpose of which is to ensure that holders of the reward codes, like Plaintiff, could successfully redeem them in the precise situation which occurred – the modification of the program to the detriment of Plaintiff and the general public. GBL § 575(1)-(2).

25. Defendant's gradual suspension and elimination of any tangible rewards from its program was not carried out in accordance with the statutory requirement that it provide at least 90 days' notice to the Secretary of State and its retail partners. GBL § 577.

26. By suspending and restricting the redemption of the trading stamps, Plaintiff and consumers are authorized and intend to submit their claims against any security or bond posted by Defendant for the value of their reward codes. GBL § 576(1).

IV. DISSATISFCATION WITH REWARDS PROGRAM

27. Online forums are replete with customers who have accumulated reward codes whose value was eliminated in violation of their statutory protections, and who continue to accumulate reward codes even though they no longer have any tangible value.

28. The independent customer review website, Site Jabber, contains the testimony of hundreds of Rewards program participants, who expressed the same dissatisfaction experienced by Plaintiff.¹

¹ <https://www.sitejabber.com/reviews/mycokerewards.com>.

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