

Case #7527 (05/04/2026)
Kinzie Advanced Polymers, LLC d/b/a/ Grove Bags
Grove Bags
Challenger: Calyx Containers, LLC
Product Type: Drugs / Health / Health Aids
Issues: Disclosure; Express Claims; Implied Claims/Consumer Perception; Labeling Claims; Product Performance
Disposition: Modified / Discontinued

BBB NATIONAL PROGRAMS

NATIONAL ADVERTISING DIVISION

CALYX CONTAINERS, LLC,
Challenger,

KINZIE ADVANCED POLYMERS, LLC D/B/A/
 GROVE BAGS,
Advertiser.

Case No. 7527
 Closed 05/04/2026

FINAL DECISION

- NAD seeks to harmonize its efforts with the relevant regulatory guidance.
- A disclosure which must be clear and conspicuous in accordance with the Federal Trade Commission's .Com Disclosures Guide

I. Basis of Inquiry

The advertising industry established the National Advertising Division ("NAD") and the National Advertising Review Board ("NARB") in 1971 as an independent system of self-regulation designed to build consumer trust in advertising. NAD reviews national advertising in all media in response to third-party challenges or through inquiries opened on its own initiative. Its decisions set consistent standards for advertising truth and accuracy, delivering meaningful protection to consumers and leveling the playing field for business. Calyx Containers, LLC ("Calyx" or "Challenger") challenged express and implied claims made by Kinzie Advanced Polymers, LLC d/b/a/ Grove Bags ("Grove Bags" or "Advertiser") for its cannabis curing and storage products. The following are representative of the claims that served as the basis for this inquiry:

A. Express Claims

Humidity

- "58% - 62% Humidity"
- "[TerpLoc] creat[es] a microclimate with a relative humidity level of 58–62%"
- "[The humidity element of TerpLoc] works together with the oxygen layer to provide humidity control. Low oxygen levels slow down the respiration process, then excess water vapor that has built up in the package's head space is diffused through the packaging to prevent mold growth and create optimal humidity levels."

- “Grove Bags ensures your cannabis is kept between 58% and 62% RH when stored to maintain and enhance its color, consistency, aroma, and flavor.”

Mold Prevention

- “Mold Prevention”
- “TerpLoc® zippered pouches are designed to . . . prevent mold.”
- “[TerpLoc] creat[es] a microclimate with a relative humidity level of 58–62%”
- “[The humidity element of TerpLoc] works together with the oxygen layer to provide humidity control. Low oxygen levels slow down the respiration process, then excess water vapor that has built up in the package’s head space is diffused through the packaging to prevent mold growth and create optimal humidity levels.”
- “Mold can occur early on in the curing process when cannabis is not properly dried and stored. All Grove Bags have passive humidity control. This not only keeps your cannabis fresher for longer but also allows product to be placed in our bags sooner than our competitor’s products.

Weight Retention

- “Weight Retention”
- “TerpLoc® zippered pouches are designed to . . . maintain weight.”
- “Weight is Directly Related To Moisture Content. . . . TerpLoc® sealing technology ensures both moisture and profit stop evaporating from your packaging.”

Terpene Preservation

- “Terpene Preservation”
- “TerpLoc® zippered pouches are designed to . . . preserve delicate terpene profiles.”
- “Grove Bags create and maintain the perfect cannabis climate to minimize evaporation and oxidation, ensuring maximum retention of terpenes and preservation of the benefits of cannabis synergy.”
- “Grove Bags are designed for low oxygen levels and combine active humidity control with antistatic properties to limit the oxidation and evaporation of terpenes and cannabinoids.”

B. Implied Claims

Humidity Claim

- Grove Bags regulate the relative humidity to the claimed level no matter the level of moisture of the product when placed in the bag.

II. Evidence Presented

Challenger provided:

- Examples of the challenged claims.
- Information about Grove Bags and related consumer complaints.
- News articles about the cannabis packaging industry.
- Declaration of the Co-Founder and Chief Executive Officer of Calyx Containers.
- Declaration of the Director of Product Development at Calyx Containers

Advertiser provided:

- Articles about cannabis cultivation.
- Declaration from the Chief Strategy Officer at Grove Bags.
- Internal product testing.
- Independent comparative product testing.

III. Decision

A. Background

Calyx Containers is a vertically integrated manufacturer founded in 2016 that creates high-performance, child-resistant packaging specifically for the cannabis industry. The company uses sustainable materials and innovative engineering, such as their signature square designs and oxygen-tight gaskets, to preserve the potency and freshness of cannabis flower, concentrates, and edibles.

Grove Bags is a packaging company specializing in cannabis storage solutions. Founded in 2016, Grove Bags' TerpLoc® technology, a proprietary multi-layered film, enables auto-curing and long-term storage of cannabis flower, eliminating traditional curing methods such as "burping" jars.

B. Standard of Review

Advertisers must possess a "reasonable basis" for claims disseminated in advertising.¹ What constitutes a "reasonable basis" depends on several factors, including the type of product, the type of claim, the consumer benefit from a truthful claim, the ease of developing substantiation for the claim, the consequences of a false claim, and the amount of substantiation experts in the field believe is reasonable.²

C. Discontinued Claims

During the pendency of the inquiry, Grove Bags indicated that it would discontinue the challenged mold prevention claims. The permanently discontinued claims will be treated for compliance purposes as though NAD recommended their discontinuance and the Advertiser agreed to comply:

- "Mold Prevention"
- "TerpLoc® zippered pouches are designed to . . . prevent mold."
- "[The humidity element of TerpLoc] works together with the oxygen layer to provide humidity control. Low oxygen levels slow down the respiration process, then excess water vapor that has built up in the package's head space is diffused through the packaging to prevent mold growth and create optimal humidity levels."

¹ *Guardian Technologies, LLC (GermGuardian and PureGuardian Air Purifiers and Replacement Filters)*, Report #6319, NAD/CARU Case Reports (November 2019).

² *Pfizer Inc.*, 81 F.T.C. 23 (1972). See also FTC, *Policy Statement Regarding Advertising Substantiation* (Nov. 23, 1984), <https://www.ftc.gov/public-statements/1984/11/ftc-policy-statement-regarding-advertising-substantiation>.

- “Mold can occur early on in the curing process when cannabis is not properly dried and stored. All Grove Bags have passive humidity control. This not only keeps your cannabis fresher for longer but also allows product to be placed in our bags sooner than our competitor’s products.

D. Analysis

1. Challenged Claims

The challenged claims appear in advertising for Grove Bags’ TerpLoc® packaging across multiple media, including product packaging, the advertiser’s website, social media, and third-party retail listings. The remaining challenged performance claims relate to humidity control, weight retention and terpene preservation. The claims are presented as prominent statements and product descriptors, in concise phrases such as “58–62% Humidity,” “Mold Prevention,” “Weight Retention,” and “Terpene Preservation.”

Calyx argued that the challenged claims convey the unsupported messages that TerpLoc® bags autonomously create and regulate their own microclimate to achieve the advertised 58–62% relative humidity (“RH”) and that they retain cannabis’s weight and preserves terpenes. Calyx further argued that the instructions for use do not always accompany the product, are not clear and conspicuous, are framed as recommendations rather than requirements, and contain information that is contradicted by evidence provided by Grove Bags. Calyx also argued that Grove Bags’ advertising implies a broader performance claim that TerpLoc® packaging independently regulates humidity within the claimed range regardless of the starting moisture content (“SMC”) of the cannabis placed in the bag.

Grove Bags responded that the remaining challenged performance claims regarding humidity control, weight retention, and terpene preservation are supported by competent and reliable scientific evidence, including internal testing and multiple third-party studies evaluating the performance of its TerpLoc® packaging technology. Grove Bags argued that its advertising does not convey the implied message that TerpLoc® packaging independently regulates humidity within the claimed range regardless of the SMC of the cannabis placed in the bag.

2. Grove Bags’ proprietary TerpLoc® technology

Grove Bags explained that TerpLoc® is a passive modified atmosphere packaging (“MAP”)³ system managing gas exchange and moisture equilibrium through engineered permeability. Grove Bags’ TerpLoc® is a composite, multi-layer polymer film that is manufactured into pouches or bags. Grove Bags explained that its bags are composed of a high-barrier film with very low permeability and are designed to prevent any oxygen from getting in and to lock in the ideal 58-62% RH for cannabis, thereby stopping oxidation and preserving terpenes and the overall quality of the cannabis.

Grove Bags argued that when used in accordance with Grove Bags’ instructions, TerpLoc® bags facilitate the passive diffusion of excess water vapor and oxygen out of the packaging’s headspace when cannabis is stored inside. The headspace in the bag is where the bag’s layers actively manage the microclimate created by the cannabis’ own respiration.

³ Modified Atmosphere Packaging (MAP) is a packaging system in which the internal environment of a sealed package is controlled through the interaction between the packaged product and the packaging material, allowing gases and moisture to be regulated within the package.

Grove Bags explained that the harvested cannabis that is inserted into Grove Bags' TerpLoc® bags for curing must have a SMC ratio between 10-12%. This SMC is necessary because it establishes the water activity (aW) baseline required for the passive equilibrium system to stabilize within the target 58-62% RH range. Grove Bags asserted that cannabis dried to this moisture content has a water activity of approximately 0.58-0.62 aW, which directly corresponds to the equilibrium relative humidity of 58-62% in a sealed environment.

Grove Bags also explained that because the technology relies on a precise product-to-air ratio, or headspace, to function, users must store the correct amount of cannabis in a modified atmospheric pouch like a Grove Bags TerpLoc® bag, typically 75% full and at the stated amount weight of the bag.

3. Internal Testing

Grove Bags' internal testing was conducted in a sealed, climate-controlled laboratory environment designed to evaluate the performance of TerpLoc® packaging under controlled conditions. The testing utilized cannabis samples prepared at specified moisture content levels, with particular focus on samples dried to approximately 10–12% moisture content, consistent with Grove Bags' instructions for use.

Samples were placed in TerpLoc® bags and stored at defined fill levels (approximately 75% capacity) to maintain the intended product-to-headspace ratio. The study measured internal environmental conditions over time using industry-standard instruments and sensors, including humidity sensors, moisture meters, and headspace gas analyzers, to track relative humidity, moisture stability, and gas composition within the sealed packages.

Grove Bags' internal testing organized cannabis samples into three cohorts based on their SMC to evaluate how initial conditions affect the resulting internal relative humidity. The “dry” cohort consisted of samples with moisture content below 10%, representing under-dried cannabis; the “on-spec” cohort included samples with moisture content between approximately 10% and 12.5%, consistent with Grove Bags' recommended conditions for use; and the “wet” cohort comprised samples with moisture content above 12.5%, representing over-moist cannabis. These cohorts were used to assess the relationship between starting moisture levels and the ability of TerpLoc® packaging to achieve the target equilibrium relative humidity range.

The testing utilized humidity measurement instruments and sensors, including the Govee sensor, General Moisture Meter, and C650 Lab Think Headspace Gas Analyzer. A linear regression analysis assessed the predictive relationship between SMC and final RH. Weight Change Per Day was evaluated as an indicator of steady-state microclimate stability and to determine whether the achieved ERH represented a true equilibrium condition.

The results of Grove Bags' internal testing were provided to NAD on a confidential basis. The testing data indicated that the on-spec samples (10–12% SMC) achieved the advertised ERH range and the regression analysis demonstrated a highly significant, linear predictive relationship between SMC and ERH ($R^2 = 0.919$, $p < 0.0001$).

Grove Bags asserted that the testing shows TerpLoc® bags maintain humidity within the 58–62% range when used as directed, specifically when cannabis is dried to approximately 10–12% moisture content and the bags are filled to approximately 75% capacity.

NAD determined that the internal stability dataset provides support for the 58–62% RH performance claim. The on-spec samples (10–12% SMC) achieved the advertised ERH range, while the regression analysis ($R^2 = 0.919$) provides competent and reliable scientific evidence that the outcome is a predictable function of following Grove Bags' SMC instructions. The internal testing and meta-analysis provide substantiation of Grove Bags' performance claims for the TerpLoc® packaging. The data demonstrated that TerpLoc® functions as an effective passive MAP system, achieving RH stability, weight retention, and equilibrium consistency when used as directed for the curing process.

NAD found that while Grove Bags' internal testing provides support for the performance of TerpLoc® packaging under controlled conditions, the results are expressly dependent on specific conditions of use, including starting moisture content and fill level.

4. Cannabis Research Center & Coalition Study

Grove Bags also provided testing from the Cannabis Research Center & Coalition (“CRC”) which conducted an independent comparative study evaluating the environmental stability and chemical preservation performance of Grove Bags' proprietary TerpLoc® packaging technology. The objective of the CRC study was to assess TerpLoc®'s performance during the critical curing and short-term storage phase, compared to conventional containers, including mason jars, turkey bags, and metalized polyethylene terephthalate (“MET PET”) containers, both with and without supplemental humidity packs. The study was designed to assess Grove Bags' compatibility with ethylene-management technologies used by some large commercial cannabis operations.⁴

The CRC tested TerpLoc® under three internal conditions: (i) control, (ii) ethylene additive, and (iii) ethylene inhibitor. The CRC study employed a 21-day controlled curing protocol designed to simulate commercial curing conditions while allowing for precise measurement of atmospheric composition and chemical stability of the cannabis flower. The study continuously monitored RH, vapor pressure, carbon dioxide (CO₂), oxygen (O₂), and ethylene levels within each container type. Following the 21-day curing period, post-curing analyses measured total cannabinoid and terpene concentrations, chlorophyll degradation, and moisture retention across all container types.

The CRC test results demonstrated that TerpLoc® packaging was able to maintain stable RH levels within the optimal 58–62% range throughout the majority of the 21-day curing period. In contrast, the control containers, particularly the MET PET containers and turkey bags, exhibited significant fluctuations in internal humidity, frequently falling outside the optimal 58–62% preservation range.

Calyx argued that the CRC testing demonstrates that, even in perfect conditions, Grove Bags cannot maintain or regulate humidity as advertised because the available testing data showed RH values falling outside the advertised 58–62% relative humidity range for a significant amount of the testing period.

⁴ Ethylene-management technologies refer to additives or treatments used in packaging or storage environments to control the presence or effects of ethylene gas, a naturally occurring plant hormone associated with plant respiration and degradation processes. Ethylene-management was used in the CRC study as experimental conditions (including an ethylene additive and inhibitor) to evaluate how TerpLoc® packaging performs under different post-harvest environments.

Grove Bags responded that any apparent deviation noted by Calyx is entirely within range for instrument measurement variation and explained that the CRC study used high-precision Pulse Pro sensors to log humidity, which have an accuracy tolerance of $\pm 1.5\%$ RH according to manufacturer specifications. When the accepted $\pm 1.5\%$ accuracy tolerance is properly considered, Grove Bags argued that virtually all data points fall within or are immediately adjacent to the claimed 58-62% range for the majority of the test period.

5. Veda Scientific Study

Grove Bags also submitted a study conducted by a third-party, Veda Scientific, that was designed to evaluate the performance of TerpLoc® packaging in maintaining the environmental and chemical stability of cannabis during curing and storage compared to conventional storage containers.

The Veda study compared cannabis stored in TerpLoc® bags to cannabis stored in mason jars, using two cannabis strains over a 12-week period, with measurements taken at multiple intervals. The Veda study assessed key variables including water activity and moisture levels, gas composition (oxygen, carbon dioxide, and nitrogen), and chemical composition such as terpene and cannabinoid content using validated analytical methods.

Grove Bags argued that the Veda study demonstrated that cannabis stored in TerpLoc® packaging maintained a more stable internal environment compared to mason jars, characterized by lower oxygen levels and a modified atmosphere conducive to preservation. The study reported improved moisture stability, as reflected in more consistent water activity levels, and higher retention of cannabinoids and terpenes over the 12-week storage period relative to the comparator containers. Although some degradation of volatile compounds occurred over time in all storage conditions, TerpLoc® packaging slowed this degradation and better preserved the chemical profile of the cannabis compared to traditional storage methods.

Calyx argued that the Veda study shows both cannabis strains' water activity was under 0.58 for around seven weeks of the twelve-week study period and argued that this is direct evidence that Grove Bags failed to maintain 58-62% RH as advertised. Grove Bags responded that the results Calyx references show water activity of the cannabis product itself, not the RH of the package headspace atmosphere. Grove Bags further explained that these are fundamentally distinct measurements and serve completely different analytical purposes, measured by different instruments using different physical principles, and represent different thermodynamic properties. Specifically, Grove Bags argued that water activity measures the thermodynamic activity of water in the solid/liquid phase of the product matrix using instruments that equilibrate a small gas-phase sample with the product and measure the resulting vapor pressure. In contrast, RH measures the water vapor partial pressure in the bulk gas phase of the headspace using hygrometers that directly measure gas-phase humidity.

Grove Bags further explained that the Veda study protocol measured water activity of the cannabis flower using water activity meters designed for solid samples, not RH of the headspace atmosphere using gas-phase hygrometers. These different measurement types, Grove Bags argued, cannot be directly compared numerically without accounting for the thermodynamic and kinetic relationships between them. Grove Bags reiterated that it has consistently stated that cannabis dried to approximately 10-12% moisture content will usually fall within a water-activity range sufficient to generate an internal relative humidity near the optimal range, subject to numerous variables.

Calyx also that argued the Veda study established a 60% decrease in terpene content over 12 weeks, demonstrating that TerpLoc® fails to preserve terpene. Grove Bags argued that while terpene degradation occurred in all containers, TerpLoc® preserved approximately 10% more terpenes than mason jars over the study period. Moreover, Grove Bags asserted that the existence of degradation does not undermine preservation; rather, it confirms that TerpLoc® meaningfully slows terpene loss relative to conventional storage methods over extended storage durations.

Finally, Calyx argued Grove Bags' third-party studies did not test weight retention. Grove Bags responded that the CRC and Veda studies demonstrated that cannabis stored in TerpLoc® bags retained higher and more stable moisture levels than cannabis stored in conventional containers such as mason jars and MET PET bags. Grove Bags argued that because moisture and volatile compounds (such as terpenes) contribute to the overall mass of cannabis, reduced moisture loss and improved retention of volatile compounds necessarily result in greater product weight retention. Grove Bags argued that specific weight measurements were not required because weight retention can be reasonably inferred from the observed stability of moisture content and reduced evaporation, which are the primary drivers of weight loss in stored cannabis.

NAD considered the Veda Scientific and CRC studies and found that both studies constitute competent and reliable evidence of product performance under controlled conditions. As a third-party comparative analysis, the Veda study demonstrates that cannabis stored in TerpLoc® packaging exhibited improved moisture stability and greater retention of cannabinoids and terpenes compared to mason jars over a twelve-week period. Similarly, the CRC study, conducted under a controlled curing protocol, measured environmental conditions within the packaging and showed that TerpLoc bags maintained a more stable humidity environment relative to comparator containers.

NAD found, however, that neither study directly established that TerpLoc® packaging consistently maintains a precise relative humidity range of 58–62% under all conditions. The Veda study measures water activity rather than headspace relative humidity, and while the CRC study measures relative humidity directly, the data reflect variability over time and conditions of use. Accordingly, while the studies support the claims that TerpLoc® packaging helps maintain a stable humidity environment and improves preservation outcomes relative to conventional storage methods, they do not support unqualified claims that the product “ensures” or consistently achieves a specific humidity range.

NAD recommended that Grove Bags modify its advertising to clearly and conspicuously disclose the conditions under which the claimed results can be achieved and to avoid language suggesting guaranteed or universal performance.

6. Excelsior Study

Grove Bags also submitted the Excelsior Study, a third-party comparative study that evaluated the performance of TerpLoc® packaging in preserving the chemical composition of cannabis during storage. The objective of the study was to assess whether TerpLoc® packaging could reduce degradation of cannabinoids and terpenes by maintaining a controlled storage environment relative to traditional containers. Terpenes are volatile organic compounds that naturally degrade over time in all storage environments due to oxidation, volatilization, and thermal and enzymatic processes.

The Excelsior study compared Grove Bags TerpLoc® pouches against traditional containers commonly used in the cannabis industry. The traditional containers included mason jars, mylar packaging, a

screw-top child proof container, a pop-top container, and a turkey bag. The study compared the performance of the containers over a period of approximately 6 to 12 weeks, analyzing samples using validated methods such as high-performance liquid chromatography (HPLC) for cannabinoid content and gas chromatography (GC-FID) for terpene profiles. The results demonstrated that cannabis stored in TerpLoc® packaging retained higher levels of cannabinoids and terpenes than cannabis stored in other containers, indicating that the packaging slowed degradation and better preserved the product's chemical profile during storage.

Calyx argued that the Excelsior study results are misleading because the study did not provide baseline terpene measurements, making it difficult to assess the extent of terpene preservation or loss over time. Grove Bags responded that the starting terpene profiles were excluded from the public summary only because the published overview focused on comparative performance and reiterated that the baseline data is available.

Moreover, Grove Bags argued that the Excelsior study demonstrates that the controlled microclimate created by TerpLoc® effectively slowed the degradation of both terpenes and cannabinoids. These findings, Grove Bags argued, confirm that TerpLoc® establishes an anti-static, low-oxygen environment with a stable RH range conducive to long-term terpene and cannabinoid preservation. Accordingly, Grove Bags argued the Excelsior study provides scientific evidence substantiating Grove Bags' humidity control and terpene preservation claims.

NAD found that the Excelsior study provides competent and reliable evidence of comparative performance, demonstrating that cannabis stored in TerpLoc® packaging retained higher levels of cannabinoids and terpenes than cannabis stored in conventional containers. The study supports claims that TerpLoc® packaging helps preserve chemical composition during storage. However, because the study reflects relative retention and ongoing degradation over time, it does not support "maximum" or guaranteed preservation claims. NAD determined that the Excelsior study supports qualified claims that TerpLoc® packaging helps preserve terpene and cannabinoid content relative to conventional storage methods but recommended that Grove Bags avoid language that suggests the highest level or guaranteed preservation.

NAD determined that the record established a reasonable basis for the following claims:

- "Weight Retention"
- "TerpLoc® zippered pouches are designed to . . . maintain weight."
- "Weight is Directly Related To Moisture Content. . . TerpLoc® sealing technology ensures both moisture and profit stop evaporating from your packaging."
- "Terpene Preservation"
- "TerpLoc® zippered pouches are designed to . . . preserve delicate terpene profiles."
- "Grove Bags are designed for low oxygen levels and combine active humidity control with antistatic properties to limit the oxidation and evaporation of terpenes and cannabinoids."

NAD recommended Grove Bags discontinue or modify the following claims to avoid conveying the misleading message that the product "ensures" or consistently achieves a specific humidity range.

- "58% - 62% Humidity"
- "Grove Bags ensures your cannabis is kept between 58% and 62% RH when stored to maintain and enhance its color, consistency, aroma, and flavor."

- “[TerpLoc] creat[es] a microclimate with a relative humidity level of 58–62%”
- “Grove Bags create and maintain the perfect cannabis climate to minimize evaporation and oxidation, ensuring maximum retention of terpenes and preservation of the benefits of cannabis synergy.”

NAD determined that the advertising, when viewed in context, does not reasonably convey the implied claim that TerpLoc® packaging independently regulates humidity to the 58–62% range regardless of the starting moisture content of the cannabis. There are no express statements that the product will achieve the claimed humidity range irrespective of input conditions. The claims appear in the context of cannabis curing and storage, a process that inherently depends on the interaction between the product and its environment. The challenged statements describing humidity control, diffusion, and microclimate creation communicate that the system functions in conjunction with the moisture and respiration characteristics of the stored cannabis, rather than independently of them. NAD therefore determined that Grove Bags’ advertising, in context, does not reasonably convey the implied message that:

- Grove Bags regulate the relative humidity to the claimed level no matter the level of moisture of the product when placed in the bag.

7. Product Instructions

Calyx argued that TerpLoc® bags product only functions in highly specific conditions. These conditions require strict adherence to specific product instructions. Calyx further argued that the instructions are not always provided, are not clear and conspicuous, and are framed as recommendations rather than requirements. In addition, Calyx argued that some of the information provided in the instructions is contradicted by the test results provided by Grove Bags.

Grove Bags argued that each package of Grove Bags’ TerpLoc® bags that are delivered to a customer contains hard copy instructions and that the instructions clearly state that the cannabis inserted into TerpLoc® bags must have a moisture ratio of between 10-12%, and that the volume inserted should be 75% of the total bag. Grove Bags noted that on its website it instructs customers on the required 10-12% moisture level and 75% volume requirements in multiple locations.⁵ Grove Bags explained that a QR code is also provided where the purchaser can learn additional instructional information. Grove Bags maintained that it does not control how others resell its products.

A disclosure which must be clear and conspicuous in accordance with the Federal Trade Commission’s (“FTC’s”) .Com Disclosures. Specifically, “advertisers are responsible for ensuring that their messages are truthful and not misleading. Accordingly, disclosures must be communicated effectively so that consumers are likely to notice and understand them in connection with the representations that the disclosures modify. Simply making the disclosure available somewhere in the advertising, where some consumers might find it, does not meet the clear and conspicuous standard.”⁶

⁵ See FAQs, Grove Bags, <https://grovebags.com/pages/faqs> (last visited April 10, 2026).

⁶ .Com Disclosures: How to make Effective Disclosures in Digital Advertising, Federal Trade Commission, <https://www.ftc.gov/system/files/documents/plain-language/bus41-dot-com-disclosures-information-aboutonline-advertising.pdf>, at 6.

NAD seeks to harmonize its efforts with the relevant regulatory guidance. NAD found that the product's instructions for use are material terms that were not clearly and conspicuously disclosed in online advertising and on the product packaging.⁷ The terms do not appear in close proximity to the challenged performance claims that state, without qualification, that the bags will "create" a specific microclimate to achieve the advertised RH or that the bags "ensure" weight retention and terpene preservation. The online instructions are listed under a section labeled "Tips" and in the "FAQ" section. The QR codes direct users to the same webpages, which do not put consumers on alert that the product will not work without strict adherence to the instructions. NAD noted that the product packaging similarly does not inform consumers that they must follow the product use instructions. Accordingly, NAD recommended that Grove Bags clearly and conspicuously disclose all the material conditions of use, in close proximity to the challenged claims in order to avoid conveying an unqualified performance message.

IV. Conclusion

The following permanently discontinued claims will be treated for compliance purposes as though NAD recommended their discontinuance and the Advertiser agreed to comply:

- "Mold Prevention"
- "TerpLoc® zippered pouches are designed to . . . prevent mold."
- "[The humidity element of TerpLoc] works together with the oxygen layer to provide humidity control. Low oxygen levels slow down the respiration process, then excess water vapor that has built up in the package's head space is diffused through the packaging to prevent mold growth and create optimal humidity levels."
- "Mold can occur early on in the curing process when cannabis is not properly dried and stored. All Grove Bags have passive humidity control. This not only keeps your cannabis fresher for longer but also allows product to be placed in our bags sooner than our competitor's products."

NAD determined that the record established a reasonable basis for the following claims:

- "Weight Retention"
- "TerpLoc® zippered pouches are designed to . . . maintain weight."
- "Weight is Directly Related To Moisture Content. . . . TerpLoc® sealing technology ensures both moisture and profit stop evaporating from your packaging."
- "Terpene Preservation"
- "TerpLoc® zippered pouches are designed to . . . preserve delicate terpene profiles."
- "Grove Bags are designed for low oxygen levels and combine active humidity control with antistatic properties to limit the oxidation and evaporation of terpenes and cannabinoids."

NAD recommended Grove Bags discontinue or modify the following claims to avoid conveying the misleading message that the product "ensures" or consistently achieves a specific humidity range:

- "58% - 62% Humidity"
- "Grove Bags ensures your cannabis is kept between 58% and 62% RH when stored to maintain and enhance its color, consistency, aroma, and flavor."
- "[TerpLoc] creat[es] a microclimate with a relative humidity level of 58–62%"

⁷ *Id.*

- “Grove Bags create and maintain the perfect cannabis climate to minimize evaporation and oxidation, ensuring maximum retention of terpenes and preservation of the benefits of cannabis synergy.”

NAD determined that the advertising, in context, does not reasonably convey the implied message that:

- Grove Bags regulate the relative humidity to the claimed level no matter the level of moisture of the product when placed in the bag.

NAD recommended that Grove Bags clearly and conspicuously disclose all the material conditions of use, in close proximity to the challenged claims in order to avoid conveying an unqualified performance message.

V. Advertiser’s Statement

Grove Bags appreciates NAD’s careful review and the opportunity to participate in the self-regulatory process, and it will comply with NAD’s recommendations. Grove Bags is pleased that NAD concluded that the testing submitted by Grove Bags provides competent and reliable evidence supporting TerpLoc®’s product performance. Grove Bags is also pleased with NAD’s conclusion that Grove Bags is not making the alleged implied claim that TerpLoc® regulates relative humidity to the 58-62% range regardless of the starting moisture content of the product. While Grove Bags disagrees with certain of NAD’s other conclusions, Grove Bags will nonetheless comply with NAD’s recommendations. **(#7527 WF, closed 05/04/2026)**