

Business Ethics

Marketing Ethics Case Study

In 1978, the US Food and Drug Administration (FDA) warned manufacturers of hair dyes that it was considering a requirement for them to place this label on products containing 4-MMPD (4-Methoxy-M-phenylenediamine sulfate):

Warning: Contains an ingredient that can penetrate your skin and has been determined to cause cancer in laboratory animals.

Companies likely to be affected included Clairol, Revlon, Alberto-Culver, and Helene Curtis.

The alert on 4-MMPD had gone out in 1975, when it was found that the chemical caused mutations in bacterial genes. This was taken as a sign of carcinogenic potential in humans. Subsequently this view received more support when 4-MMPD was found to produce cancers in animals. Because of powers under its Act of 1938, the FDA was unable to do more than require a label to be fixed to the dye. This was not an appealing prospect for dye manufacturers, who strenuously defended their products against the imposition of the warning label. They asserted that animal tests were not transferable because that would be “the equivalent of a woman drinking more than 25 bottles of hair dye a day, every day of her life”. Despite legal defences, the cosmetic industry lost the fight and the labels were required.

Most manufacturers had already removed 4-MMPD from their products by the time the court found for the FDA, thereby avoiding the offending warning label. Revlon, however, removed 4-MMPD and replaced it with 4-EMPD. When the FDA tested this chemical, it found that it too caused bacterial mutations. Revlon countered that the National Cancer Institute had tested 4-EMPD and had not found it a cancer-inducing agent. The NCI then denied that it had ever tested the chemical and Revlon was forced to correct its story: its own scientists had done the tests, but like the FDA the Revlon researchers had found bacterial mutations. Nevertheless, the FDA was not able to require a warning label to be placed on dyes with 4-MMPD until animal tests had been conducted, a process which takes three to four years. Warning labels cannot be affixed to containers until a further one to two years after this.

Meanwhile, no manufacturers using 4-MMPD withdrew old stock from the market when labels were imposed. These products continued to be sold for several years without the warnings.

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