

IN THE MATTER OF

GENERAL ELECTRIC COMPANY

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3414. Complaint, Jan. 29, 1993--Decision, Jan. 29, 1993*

This consent order prohibits, among other things, a New York-based manufacturer of lighting products from misrepresenting the relative light output or wattage of the bulbs, and from representing without certain qualifications relative energy cost savings or any environmental benefit for its bulbs.

Appearances

For the Commission: *Joel Winston, Sara Greenberg, and Phoebe Morse.*

For the respondent: *Michael Sohn and Deborah Feinstein, Arnold & Porter, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that, General Electric Company, a corporation, hereinafter sometimes referred to as respondent, has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent General Electric Company is a New York corporation, with its offices and principal place of business located at One River Road, Schenectady, NY.

PAR. 2. Respondent has advertised, offered for sale, sold, and distributed throughout the United States incandescent light bulbs under the trade name "ENERGY CHOICE™."

PAR. 3. The acts or practices of respondent alleged in this complaint constitute the maintenance of a substantial course of trade

in or affecting commerce, as “commerce” is defined in the Federal Trade Commission Act.

PAR. 4. Respondent has disseminated package labels for its ENERGY CHOICE incandescent light bulbs, including but not necessarily limited to the attached Exhibits A through D. These package labels emphasize the environmental and economic benefits of respondent's light bulbs by way of statements such as “Conserve Natural Resources,” charts describing the energy and cost savings from using ENERGY CHOICE light bulbs instead of ordinary light bulbs, and other means.

PAR. 5. Respondent has also disseminated or caused to be disseminated advertisements and promotional materials for its ENERGY CHOICE incandescent light bulbs, including but not necessarily limited to the attached Exhibit E. The advertisement refers to the fact that respondent “just had an idea” that can save resources and reduce electric bills. This advertisement contains the following statements and depictions:

“At GE, we just had an idea that could help eliminate pollution from the atmosphere -- an idea that could save power plants 3 million tons of coal a year and 1 million barrels of oil. Introducing GE's Energy Choice Lights. If we all change to these lights, we'd save our resources and you'd save enough on your electric bill to all but pay for the bulbs. New GE Energy Choice.” [Depiction in two different scenes of Energy Choice light bulb packaging featuring large numeral “60.”]

PAR. 6. The ENERGY CHOICE packaging and advertisements suggest that consumers replace light bulbs of a particular wattage with a corresponding ENERGY CHOICE replacement light bulb. The corresponding ENERGY CHOICE light bulbs have less wattage than the bulbs they are designed to replace. Respondent has offered, for example, a 90 watt ENERGY CHOICE bulb to replace ordinary 100 watt bulbs, a 67 watt ENERGY CHOICE bulb to replace ordinary 75 watt bulbs, a 52 watt ENERGY CHOICE bulb to replace ordinary 60 watt bulbs, and a 45-95-140 watt three-way bulb to replace ordinary 50-100-150 watt light bulbs.

PAR. 7. The ENERGY CHOICE packages and package depicted in the “Brilliant Idea” television advertisement, rather than promi-

nently displaying the wattage of the light bulbs contained inside the package, display the wattage of the light bulb being replaced in large prominent white numerals in the middle of the front panel (*e.g.*, “100”). Below, in substantially smaller yellow print, is a phrase such as “[100] watt replacement for only [90] watts.” There is a further small yellow print statement of the lumens of the light bulb inside (*e.g.*, “Avg. lumens 1540”), but no adequate disclosure of the number of lumens of the ordinary light bulb being replaced or whether the ordinary bulb produces more light than the ENERGY CHOICE bulb.

PAR. 8. Through the use of the statements and depictions in the advertisements and package labels referred to in paragraphs five, six, and seven above, including but not necessarily limited to the advertisement and package labels attached as Exhibits A through D, respondent has represented, directly or by implication, that, the ENERGY CHOICE 90, 67, 52, and 45-95-140 watt incandescent light bulbs will provide the same amount of light as the ordinary 100, 75, 60 and 50-100-150 watt light bulbs that they are designed to replace.

PAR. 9. In truth and in fact, the ENERGY CHOICE 90, 67, 52, and 45-95-140 watt incandescent light bulbs will not provide the same amount of light as the ordinary 100, 75, 60, and 50-100-150 watt light bulbs that they are designed to replace. The ENERGY CHOICE incandescent light bulbs use fewer watts and provide fewer lumens (a standard measurement of light output) than the light bulbs they are designed to replace.

Therefore, the representations set forth in paragraph eight were, and are, false and misleading.

PAR. 10. In its advertising and sale of ENERGY CHOICE incandescent light bulbs, respondent has represented, directly or by implication, that use of ENERGY CHOICE light bulbs will help eliminate pollution, save energy and lower consumers' electricity costs as compared to the ordinary light bulbs that they are designed to replace, but has failed to disclose adequately that the ENERGY CHOICE bulbs provide less light than the light bulbs they are designed to replace. This fact would be material to consumers in their purchase or use decisions regarding the product. The failure to

disclose adequately this fact, in light of the representations made, was, and is, a deceptive practice.

PAR. 11. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

Commissioner Starek recused.

GENERAL ELECTRIC COMPANY
Complaint

EXHIBIT A

GE

ENERGY CHOICE Light Bulbs

Conserve Natural Resources

100 Watt Replacement For Only 90 Watts

Avg. lumens 1540
Avg. life 750 hours

Save \$2.40 in Energy Costs

4 Bulbs

See Back for Details

ENERGY CHOICE **100**

Avg. lumens 1540 - Avg. life 750 hours

Light Bulbs Watt Replacement For Only 90 Watts

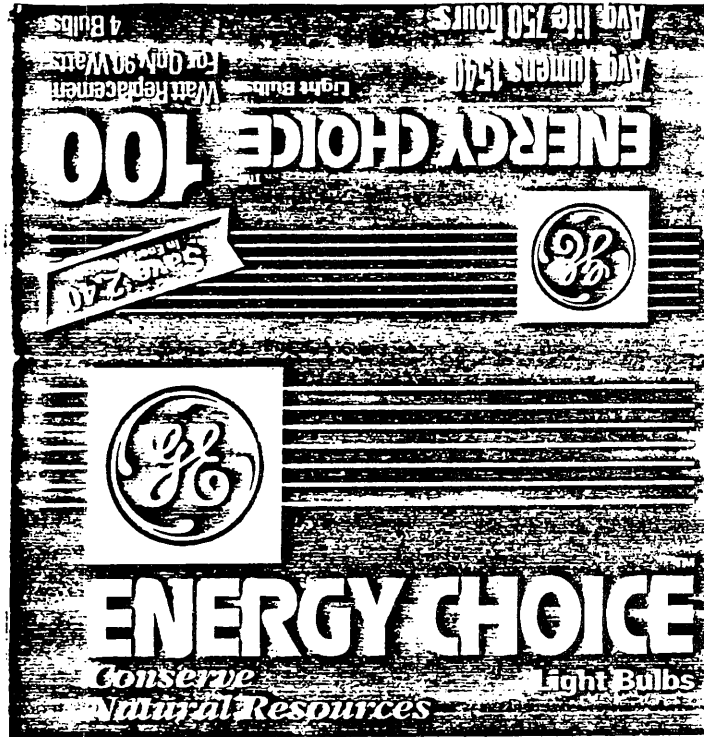
4 Bulbs

Price tag: 13 443 \$3.27

Complaint

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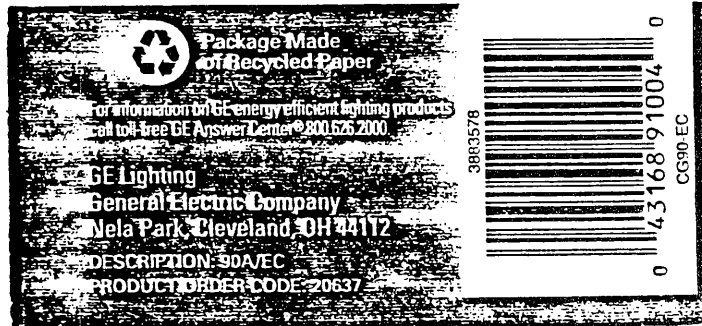
EXHIBIT A



Use ENERGY CHOICE™ bulbs to **REDUCE** natural resource consumption and carbon dioxide emissions*

REDUCE:	NATURAL RESOURCE USED FOR POWER GENERATION			
	COAL	OR	OIL	OR NATURAL GAS
NATURAL RESOURCE CONSUMPTION	29 POUNDS		2.1 GALLONS	310 CUBIC FEET
CARBON DIOXIDE EMISSIONS	66 POUNDS		54 POUNDS	36 POUNDS

*Based on using four 80 watt ENERGY CHOICE™ Bulbs compared to four ordinary 100 watt bulbs (avg. life 750 hours, avg. lumens 1710). Energy cost savings based on national kilowatt hour rate of 8¢.





ENERGY CHOICE
Light Bulbs

Conserve Natural Resources

75
Watt Replacement
For Only 67 Watts

Avg. lumens 1080
Avg. life 750 hours

Save \$1.90
In Energy Costs



4 Bulbs

See Back for Details



ENERGY CHOICE
Light Bulbs

75
Watt Replacement
For Only 67 Watts

Avg. lumens 1080 - Avg. life 750 hours

4 Bulbs

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EXHIBIT B

4 Bulbs
Avg. life 750 hours
Avg. lumens 1080
Light Bulb
Watt Replacement
For Qty. of Watts

75 ENERGY CHOICE

GE

GE

ENERGY CHOICE
Conserve Natural Resources Light Bulbs

Use ENERGY CHOICE™ bulbs to REDUCE natural resource consumption and carbon dioxide emissions*			
	NATURAL RESOURCE USED FOR POWER GENERATION		
REDUCE:	COAL	OR	OIL OR NATURAL GAS
NATURAL RESOURCE CONSUMPTION	23 POUNDS		1.7 GALLONS 250 CUBIC FEET
CARBON DIOXIDE EMISSIONS	52 POUNDS		43 POUNDS 28 POUNDS

*Based on using four 75 watt ENERGY CHOICE™ Bulbs compared to four ordinary 75 watt bulbs (avg. life 750 hours, avg. lumens 1170). Energy cost savings based on national kilowatt hour rate of 8¢.

Package Made of Recycled Paper

For information on GE energy efficient lighting products call toll-free GE Answer Center: 800.526.2000

GE Lighting
General Electric Company
Nela Park, Cleveland, OH 44112

DESCRIPTION: 67A/EC
PRODUCT ORDER CODE: 20635

3893360

0 43168 91003 3

CG67-EC

GENERAL ELECTRIC COMPANY

Complaint

EXHIBIT C

GE

ENERGY CHOICE

Conserves Natural Resources

60

Watt Replacement
For Only 52 Watts

Avg. Lumens 780
Avg. Life 1000 hours

Save 2.50
in Energy Costs

GE

ENERGY CHOICE

Avg. Lumens 780 - Avg. Life 1000 hours

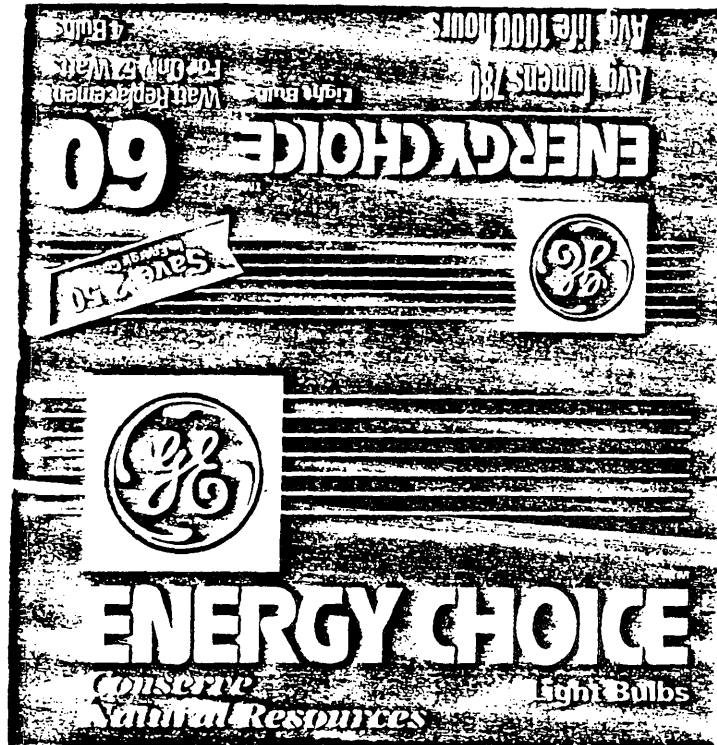
60

Watt Replacement
For Only 52 Watts

Complaint

116 F.T.C.

EXHIBIT C



Use ENERGY CHOICE™ bulbs to **REDUCE** natural resource consumption and carbon dioxide emissions*

REDUCE:	NATURAL RESOURCE USED FOR POWER GENERATION			
	COAL	OR	OIL	OR NATURAL GAS
NATURAL RESOURCE CONSUMPTION	31 POUNDS		2.2 GALLONS	330 CUBIC FEET
CARBON DIOXIDE EMISSIONS	70 POUNDS		57 POUNDS	38 POUNDS

*Based on using four 52 watt ENERGY CHOICE™ Bulbs compared to four ordinary 60 watt bulbs (avg. life 1,000 hours, avg. lumens 855). Energy cost savings based on national kilowatt hour rate of 6c.

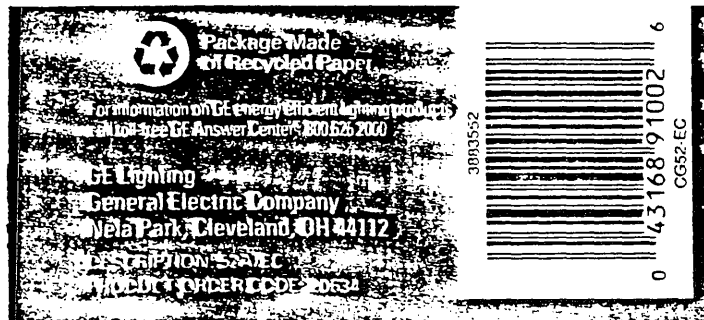
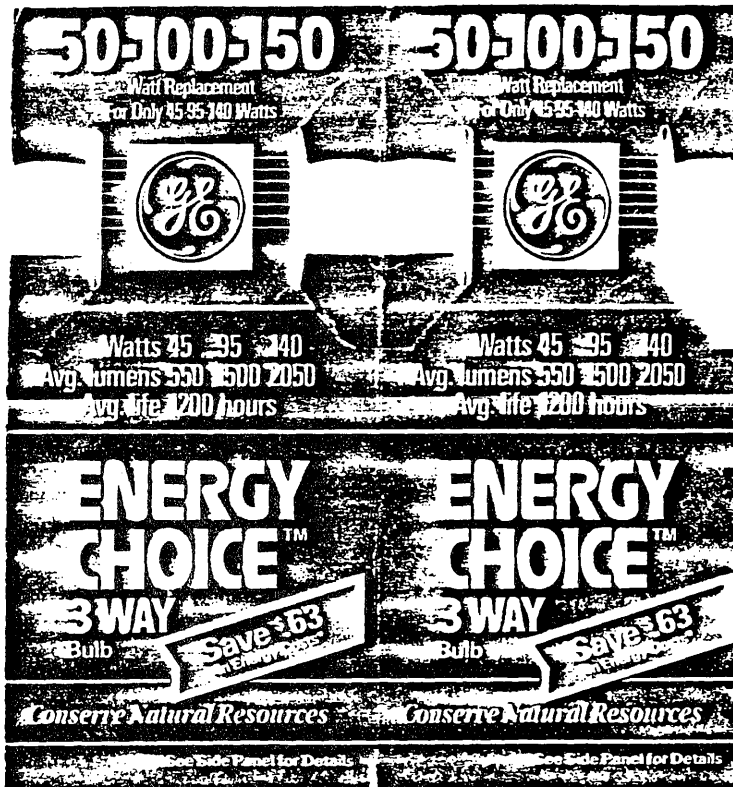


EXHIBIT D



Complaint

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EXHIBIT D

50-100-150
Watt Replacement
for Only 85-95-140 Watts

ENERGY CHOICE™
WATT Bulb

Use **ENERGY CHOICE™** bulbs to help **REDUCE** natural resource consumption and carbon dioxide emissions*.

REDUCE:	NATURAL RESOURCE USED FOR POWER GENERATION		
	OR COAL	OR OIL	NATURAL GAS
NATURAL RESOURCE CONSUMPTION	7 POUNDS	.6 GALLONS	83 CUBIC FT.
CARBON DIOXIDE EMISSIONS	17 POUNDS	14 POUNDS	9 POUNDS

See Side Panel for Details

Based on average watts per hour difference between ENERGY CHOICE™ 50-watt bulb and one ordinary 60-100-150 watt bulb (non-ENERGY CHOICE™) over its average life of 1,000 hours. Energy CHOICE™ bulbs are available in 50, 100 and 150 watt sizes. See side panel for details.

GE Lighting Division
General Electric Company
Nela Park, Cleveland, OH 44117

RES: 388596Z
0 43168 90517 6
CG211-EC

95

Complaint

EXHIBIT E

General Electric Energy Choice Light Bulbs
"Brilliant Idea"

910702

:30

(L)

VIDEO

OPENS ON OVERHEAD LS OF MOUNTAINS.

FADES TO CU OF CHUNKS OF COAL AS THE CAMERA PANS BACK FOR LS OF A COAL MINE.

FADES TO LS OF AN OIL FACTORY.

FADES TO LS OF THE PRODUCT PACKAGE.

FADES TO LS OF SEVERAL SKYSCRAPERS AT NIGHT AS SEVERAL LIGHTS COME ON.

FADES TO MS OF A WOMAN SITTING ON A COUCH READING TO HER DAUGHTER. THE WOMAN REACHES UP TO TURN ON A LAMP.

SUPER: COST SAVINGS BASED ON USING FOUR 52 KILOWATT ENERGY CHOICE BULBS VS. FOUR ORDINARY 60 WATT BULBS AT AVERAGE 8c KILOWATT.

FADES TO CU OF THE PRODUCT PACKAGE AS A WOMAN SETS IT DOWN IN FRONT OF THE CAMERA. THE CAMERA PANS BACK FOR PRODUCT LINE SHOT. A PRODUCT BULB APPEARS AND LIGHTS UP.

SUPER: PRODUCT LOGO. WE BRING GOOD THINGS TO LIFE.

AUDIO

SFX: MUSIC THROUGHOUT.

ANNC: AT G.E., WE JUST HAD AN IDEA THAT COULD HELP ELIMINATE POLLUTION FROM THE ATMOSPHERE.

AN IDEA THAT COULD SAVE POWER PLANTS THREE MILLION TONS OF COAL A YEAR.

AND ONE MILLION BARRELS OF OIL.

INTRODUCING

G.E.'S ENERGY CHOICE LIGHTS.

IF WE ALL CHANGE TO THESE LIGHTS, WE'D SAVE ON RESOURCES AND

YOU'D SAVE ENOUGH ON YOUR ELECTRIC BILL TO ALL BUT PAY FOR THE BULBS.

NEW G.E. ENERGY CHOICE. NO WONDER THE LIGHT BULB IS THE SYMBOL FOR A BRILLIANT IDEA.

Complaint

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EXHIBIT E

**RADIO
REPORTS**

1 East 42nd Street New York, NY 10017 (212) 309-1400

PRODUCT: GE ENERGY CHOICE LIGHTS
TITLE: "POWER PLANTS"
PROGRAM: SUNDAY MORNING
STATION: CBS

91-04676

05/05/91 :30
(NEW YORK) 10:18AM



(MUSIC) ANNCR: At GE, we just
ad an idea that could help
reduce pollution from the
atmosphere—



an idea that could save power
plants.



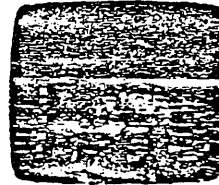
3 million tons of coal a year



and 1 million barrels of oil.



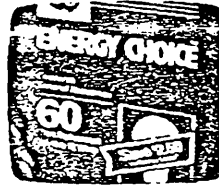
Introducing GE's Energy Choice
Lights.



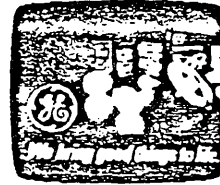
If we all change to these lights,
we'd save our resources



and you'd save enough on your
electric bill to all but pay for the
bulbs.



New GE Energy Choice.



No wonder the lightbulb is the
symbol for a brilliant idea.
(MUSIC OUT)

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and respondent having been furnished thereafter with a copy of a draft of complaint which the Boston Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent of facts, other than jurisdictional facts, or of violations of law as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules.

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. General Electric Company is a corporation organized, existing and doing business under and by virtue of the laws of the state of New York, with its offices and principal place of business located at One River Road, Schenectady, NY.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent and the proceeding is in the public interest.

ORDER

DEFINITION

For purposes of this order, the following definition shall apply:

“*Light bulb*” means any incandescent, halogen, or fluorescent lamp marketed to consumers, excluding lamps designed and promoted primarily for decorative applications, appliances, traffic signals, showcases, projectors, airport equipment, trains, and lamps such as color, flood, reflector, rough service, and vibration service.

I.

It is ordered, That respondent General Electric Company, its successors and assigns, and its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, offering for sale, sale, or distribution of any light bulb in or affecting commerce, as “commerce” is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, directly or by implication:

- A. That any such light bulb will provide the same amount of light as the light bulb to which it is compared;
- B. The wattage of any such light bulb.

II.

It is further ordered, That respondent General Electric Company, its successors and assigns, and its officers, agents, representatives and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, labeling, offering for sale, sale, or distribution of any light bulb in or affecting commerce, as “commerce” is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing,

directly or by implication, that any such bulb will save energy, will reduce pollution, will lower consumers' energy costs, or has some other benefit or advantage regarding its impact on the environment relative to any other bulb(s), when that benefit or advantage is attributable, in whole or in part, to the fact that such bulb provides fewer lumens than the bulb(s) to which it is compared, unless respondent discloses, clearly and prominently and in close proximity to the representation that such bulb provides less light than the light bulb(s) to which it is compared.

III.

It is further ordered, That with respect to claims covered by 16 CFR 409.1(d), compliance with said provision shall constitute compliance with this order.

IV.

It is further ordered, That, if the Commission makes any changes in its Trade Regulation Rule relating to incandescent lamps, 16 CFR 409.1 *et seq.*, or issues any new regulation with respect to the labeling or marketing of light bulbs (as defined herein) that is in actual conflict with any requirement imposed by paragraphs I and II of this order, compliance by respondent with such regulation will not constitute a violation of any provision of this order. As used herein, "*actual conflict*" shall mean that it is impossible for respondent to comply with both the regulation(s) and all or any part of paragraphs I or II of this order. This paragraph shall not be deemed to limit respondent's right to petition for modification pursuant to any applicable statute or regulation.

V.

It is further ordered, That the provisions of this order shall not apply to any label or labeling printed prior to the date of service of this order and shipped by respondent to distributors or retailers prior

to one hundred twenty (120) days after the date of service of this order.

VI.

It is further ordered, That respondent shall distribute a copy of this order within sixty (60) days after service of this order upon them to each of its operating divisions and to each of its officers, agents, representatives, or employees engaged in the preparation of labeling or the preparation or placement of advertisements or other such sales or promotional materials covered by this order.

VII.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the corporation such as a dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations under this order.

VIII.

It is further ordered, That respondent shall, within one hundred eighty (180) days after service of this order upon it and at such other times as the Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

Commissioner Starek recused.

IN THE MATTER OF

MOBIL OIL CORPORATION

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3415. Complaint, Feb. 1, 1993--Decision, Feb. 1, 1993*

This consent order prohibits, among other things, a Virginia-based manufacturer and seller of plastic bags from making unsubstantiated degradability and environmental benefit claims.

Appearances

For the Commission: *Michael Dershowitz and Mary Koelbel Engle.*

For the respondent: *Judith Oldham and John Williams, Collier, Shannon & Scott, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Mobil Oil Corporation, a corporation, has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Respondent Mobil Oil Corporation is a New York corporation with its office and principal place of business located at 3225 Gallows Road, Fairfax, Virginia.

PAR. 2. Respondent has manufactured, advertised, offered for sale, sold, and distributed plastic trash bags to the public under such trade names as Hefty, Kordite, and Baggies. Respondent has also manufactured, advertised, offered for sale, sold, and distributed plastic grocery store bags to grocery stores and supermarkets under