

IN THE MATTER OF

FORD MOTOR COMPANY

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3679. Complaint, August 22, 1996--Decision, August 22, 1996

This consent order prohibits, among other things, a Michigan-based automobile manufacturer from making any representation about the efficacy of any automotive cabin air filter in the reduction or removal of pollutants, unless such representations are true and the respondent possesses reliable and competent scientific evidence to substantiate such representations.

Appearances

For the Commission: *Linda Badger and Jeffrey Klurfeld.*

For the respondent: *Gerald Durcharme*, in-house counsel,
Dearborn, MI.

COMPLAINT

The Federal Trade Commission, having reason to believe that Ford Motor Company ("respondent"), 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 Ford Motor Company is a Delaware corporation, with its offices and principal place of business located at The American Road, Dearborn, Michigan.

PAR. 2. Respondent has manufactured, advertised, offered for sale, sold, and distributed automobiles, automotive parts, and other products to consumers. Certain models of Ford automobiles, such as the Mercury Mystique and Lincoln Continental, include an automotive cabin air filter called the "MicronAir Filtration System."

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

PAR. 4. Respondent has disseminated or has caused to be disseminated advertisements for the MicronAir Filtration System,

including but not necessarily limited to the attached Exhibits A-C. These advertisements contain the following statements:

A. "Eat No One's Dust.

All-New Mercury Mystique With Exclusive MicronAir Filter.

Here, quite literally, is a breath of fresh air in automotive design. The new Mercury Mystique. The only car in its class with a MicronAir filter that removes virtually all dust, pollen and other impurities from the interior." (Exhibit A: print ad).

B. "MicronAir Filtration System screens out virtually all pollen, road dust and potentially harmful air pollutants before they enter the car. This means allergy sufferers, and anyone concerned with air pollution, can breathe easier." (Exhibit B: promotional material).

C. "Dear Mr. Sample,

Do you like clean air? Mystique's standard MicronAir Filtration System removes virtually all pollen, road dust and other pollutants from air entering the car. It's an especially nice feature if you happen to be bothered by allergies." (Exhibit C: promotional material).

PAR. 5. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-C, respondent has represented, directly or by implication, that the MicronAir Filtration System removes virtually all pollutants likely to be encountered by a driver.

PAR. 6. In truth and in fact, the MicronAir Filtration System does not remove virtually all pollutants likely to be encountered by a driver. For example, the MicronAir Filtration System has no effect on gaseous pollutants, such as hydrocarbons, carbon monoxide, and nitrogen oxides. Therefore, the representation set forth in paragraph five was, and is, false and misleading.

PAR. 7. Through the use of the statements contained in the advertisements referred to in paragraph four, including but not necessarily limited to the advertisements attached as Exhibits A-C, respondent has represented, directly or by implication, that at the time it made the representation set forth in paragraph five, respondent possessed and relied upon a reasonable basis that substantiated such representation.

PAR. 8. In truth and in fact, at the time it made the representation set forth in paragraph five, respondent did not possess and rely upon a reasonable basis that substantiated such representation. Therefore, the representation set forth in paragraph seven was, and is, false and misleading.

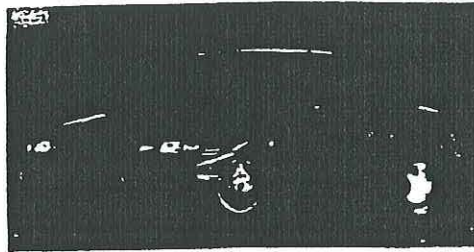
PAR. 9. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

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EXHIBIT A

Eat No One's Dust.



All-New Mercury Mystique With Exclusive MicronAir Filter

Here, quite literally, is a breath of fresh air in automotive design. The new Mercury Mystique. The only car in its class with a Micron Air filter that removes virtually all dust, pollen and other impurities from the interior.

The Micron Air filter is particularly useful should you ever find yourself following another car on a dusty road. Then again, given the performance of Mystique's available 24-valve Duratec V-6, such occasions could be rare. And with Duratec, Mystique is the only car in its class that goes 100,000 miles between scheduled tune-ups.

The Duratec V-6 and Micron Air filter are just two of Mystique's 21 first-in-class innovations. You'll also find things like all-speed traction control, solar tint glass and a remote locking system.

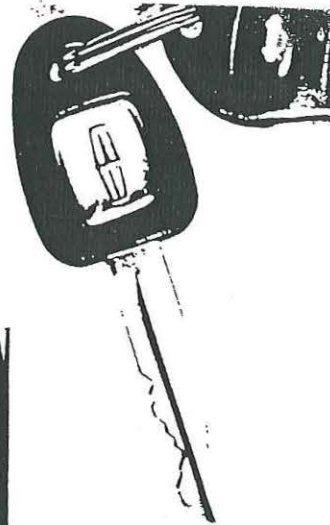
Drive the new Mystique and you'll see why we feel it's more than just a new car. It's a whole new Mercury. For more information, call 1 800 446-8888.  **MERCURY**

EXHIBIT

Complaint

EXHIBIT B

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At-speed traction control helps provide safe, confident acceleration from a stop and greater handling and steering control at higher speeds. The available safety feature regulates the spin of either or both front wheels and helps maintain driver control and traction on slippery road surfaces.

Over-the-hill, inflexible ribs and handling let you control the suspension and steering with just a touch of your finger. Choose from three levels of steering effort and three degrees of suspension firmness to match the road at your driving mood.

Over the horizon, automatically, all those when Lincoln's trademark is placed in reverse. This gives you a better view of rear clearance when backing up.

Exceptional sound system delivers outstanding clarity and quality. Its large, organically designed controls and electrochromatic tint lighting also make the sophisticated system easy to see and enjoy.



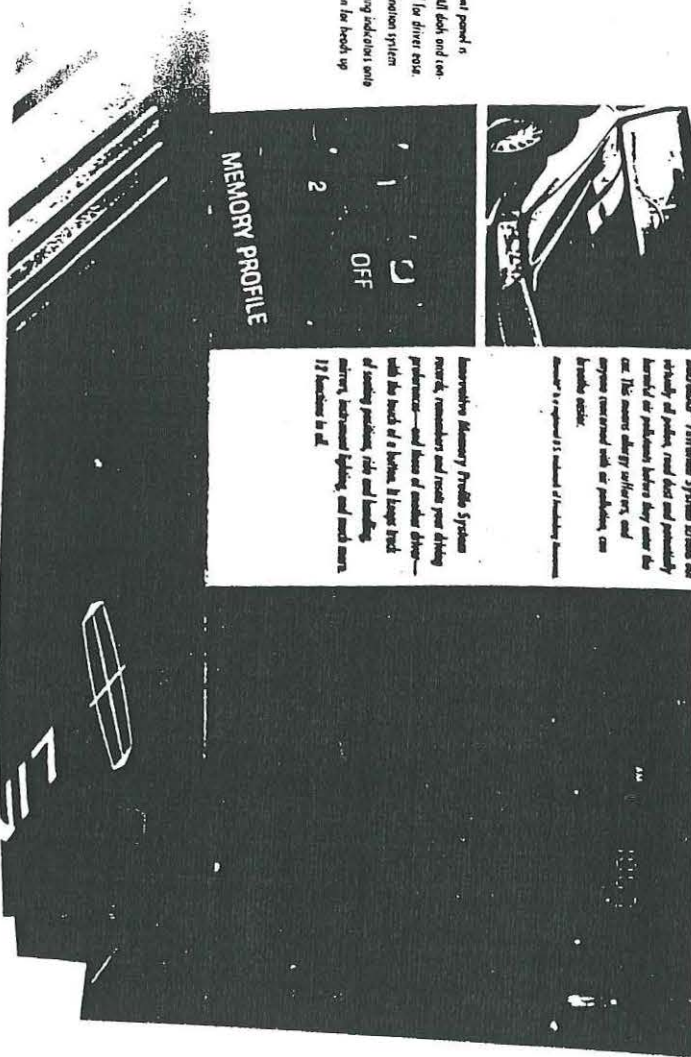
Microsoft® Efficiency System increases the ability of jobs, road test and potentially harmful air pollution before they enter the car. The system alerts drivers, and anyone concerned with air pollution, can breathe easier.

Microsoft® is a registered U.S. trademark of Microsoft Corporation.

Intuitive Memory Profile System records, remembers and recalls your driving preferences—and those of another driver—with the touch of a button. It keeps track of steering, parking, ride and handling, active, interior lighting, and much more. 12 functions in all.



Flow-through instrument panel is designed for versatility. All dash and seat back are shaped and sized for driver size. A 3-D vertical image illumination system projects gauges and warning indicators onto a specially designed screen for hands up driving.



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EXHIBIT C

0001/0001

Mr. John A. Sample
123 Main Street
Anytown, US 12345-6789

Dear Mr. Sample,

Every now and then an automobile like the all-new Mercury Mystique comes along that is so different, so comfortable and so much fun to drive, you just can't wait for the next excuse to get behind the wheel.

Right now, test drive a Mercury mystique and you'll receive a \$50 U.S. Savings Bond! How's that for an excuse to drive? A \$50 U.S. Savings Bond *and* the chance to put this terrific new sedan through its paces.

We think you'll find a lot to like as you drive Mystique. It has 21 unique features never before offered by its major competitors.

Do you like clean air? Mystique's standard MicronAir Filtration System removes virtually all pollen, road dust and other pollutants from air entering the car. It's an especially nice feature if you happen to be bothered by allergies.

Speaking of being bothered, taking a car in for service probably isn't one of your top ten favorite things to do. That's why we've designed the standard Zetec DOHC 4-cylinder engine to go 60,000 miles before its first scheduled tune-up. Still too soon? The optional Duratec DOHC V-6 isn't scheduled for its first tune-up until 100,000 miles.

We even wanted to make driving in rain or snow more enjoyable. That's why Mystique is available with an Anti-lock Brake System (ABS) and All-Speed Traction Control which helps you keep from spinning your wheels on slippery surfaces.

Mystique has a few features we hope you'll never use. Like dual air bags and high-tensile, boron-steel door beams which help Mystique meet all 1997 federal safety standards, today.

So get behind the wheel of Mercury Mystique and see what all the excitement is about. Remember to bring the certificate below to the dealership named when you take your test drive and you'll receive a \$50 United States Savings Bond. One drive in Mystique and you'll understand -- it's a whole new Mercury.

Sincerely,

Keith C. Magee
Vice President, General Manager
Lincoln-Mercury Division
Ford Motor Company

P.S. A \$50 U.S. Savings Bond is yours when you test drive a 1995 Mercury ystique, but only if you act soon. Offer expires January 31, 1995.

- Always wear your safety belt. MicronAir is a registered U.S. trademark of Freudenberg Nonwovens.

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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 the respondent having been furnished thereafter with a copy of a draft of complaint which the San Francisco 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 attorney, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the 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 that the law has been violated as alleged in such complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true and waivers and other provisions as required by the Commission's Rules; and

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 a 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, and having duly considered the comment filed thereafter by an interested person pursuant to Section 2.34 of its Rules, 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. Respondent Ford Motor Company, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at The American Road, in the City of Dearborn, State of Michigan.

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

I.

It is ordered, That respondent, Ford Motor Company, a corporation, its successors and assigns, and its officers, and respondent's agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the labelling, advertising, promotion, offering for sale, sale or distribution of the "MicronAir Filtration System" as configured in the 1995 Lincoln Continental or 1995 Mercury Mystique or any substantially similar product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, directly or by implication, that such product removes virtually all pollutants. For the purposes of this order, "substantially similar product" shall mean any automotive cabin air filter which is an electrostatic filter, consisting of layers of non-woven fabric, with at least one layer that has been electrically charged.

II.

It is further ordered, That respondent, Ford Motor Company, a corporation, its successors and assigns, and its officers, and respondent's agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, labelling, advertising, promotion, offering for sale, sale or distribution of any automotive cabin air filter, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, in any manner, directly or by implication, about the efficacy of any such product in reducing or removing pollutants, unless such representation is true, and at the time of making such representation, respondent possesses and relies upon competent and reliable scientific evidence, that substantiates such representation. For purposes of this order, "competent and reliable scientific evidence" shall mean tests, analyses, research, studies or other evidence based on the expertise of professionals in the relevant area, that has been conducted and evaluated in an objective manner

by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

III.

It is further ordered, That for three (3) years after the last date of dissemination of any representation covered by this order, respondent, or its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All materials that were relied upon in disseminating such representation; and

B. All tests, reports, studies, surveys, demonstrations or other evidence in its possession or control that contradict, qualify, or call into question such representation, or the basis relied upon for such representation, including written complaints from consumers.

IV.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as 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 arising out of the order.

V.

It is further ordered, That respondent shall, within ten (10) days from the date of service of this order upon it, distribute a copy of this order to each of its officers, agents, representatives or employees engaged in the preparation, review or placement of advertising or other materials covered by this order.

VI.

It is further ordered, That this order will terminate on August 22, 2016, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without

an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

A. Any paragraph in this order that terminates in less than twenty years;

B. This order's application to any respondent that is not named as a defendant in such complaint; and

C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint was never filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

VII.

It is further ordered, That respondent shall, within sixty (60) days from the date of 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.

IN THE MATTER OF
YOUNG & RUBICAM INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3680. Complaint, August 22, 1996--Decision, August 22, 1996

This consent order prohibits, among other things, a New York-based advertising agency from making any pollution-removal claims for Ford Motor Company's MicronAir Filtration System or any similar cabin air filtration system, unless such representations are true and the respondent possesses reliable and competent scientific evidence to substantiate such representations.

Appearances

For the Commission: *Linda Badger and Jeffrey Klurfeld.*

For the respondent: *Carlos Peña*, in-house counsel, New York, N.Y.

COMPLAINT

The Federal Trade Commission, having reason to believe that Young & Rubicam Inc., a corporation ("Young & Rubicam" or "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 Young & Rubicam is a New York corporation, with its principal office or place of business located at 285 Madison Avenue, New York, New York.

PAR. 2. Young & Rubicam is now, and at all times relevant to this complaint has been an advertising agency for Ford Motor Company ("Ford") and the Lincoln-Mercury Dealers Associations ("LMDAs"). Young & Rubicam has prepared and disseminated advertising materials to promote the sale of Ford's Mercury Mystique and Lincoln Continental automobiles. These advertisements have included claims regarding the efficacy of the MicronAir Filtration System, a cabin air filter installed in Mercury Mystique and Lincoln Continental automobiles.