

Complaint

125 F.T.C.

IN THE MATTER OF

ASHLAND, INC.

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

*Docket C-3775. Complaint, Jan. 5, 1998--Decision, Jan. 5, 1998*

This consent order prohibits, among other things, the Kentucky-based manufacturer and advertiser of the Valvoline Engine Treatment product from making unsubstantiated claims about the performance or attributes of any engine treatment in the future and from misrepresenting tests or studies used to support its claims.

*Appearances*

For the Commission: *Jonathan Cowen, Robert Frisby, Mary Engle and Elaine Kolish.*

For the respondent: *Alan J. Hruska, Cravath, Swaine & Moore, New York, N.Y.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Ashland, Inc., 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 Ashland, Inc., is a Kentucky corporation, with its office and principal place of business located at 1000 Ashland Drive, Russell, KY.

PAR. 2. Respondent has manufactured, advertised, promoted, offered for sale, sold and distributed Valvoline TM8 Engine Treatment ("TM8"), an aftermarket motor oil additive or engine treatment containing various chemicals, including Teflon brand polytetrafluoroethylene ("Teflon"), blended in a fully formulated motor oil.

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 TM8, including, but not necessarily

limited to, the attached Exhibits A-F. These advertisements contain the following statements and visual depictions:

A. A television advertisement for TM8:

Video: Visual depiction of TM8 coating internal engine parts.

Announcer: TM8 coats moving parts with eight friction-fighting ingredients including teflon. (Exhibit A)

B. A radio advertisement for TM8:

Over time, stop and go driving creates deposits that rob your engine of performance, and shorten its life. That's why there is TM8 with teflon, a new engine treatment from Valvoline. TM8 reduces engine wear by coating moving parts with eight friction fighting ingredients. (Exhibit B)

C. A magazine advertisement for TM8:

Engines don't die from old age. They wear out. And in terms of wear, the most grueling kind of driving is stop-and-go driving.... That's why there's TM8, a new engine treatment with Teflon from Valvoline. TM8's 8 friction-fighting ingredients chemically bond to moving parts, protecting your engine even at start-up. In fact, under high operating temperatures, motor oil treated with TM8 offers twice the protection. (Exhibit C)

D. A TM8 coupon leaflet:

[T]here is something you can do to reduce wear and tear on your engine: Add a quart of TM8 Engine Treatment during your next oil change.

CAMSHAFT BEARING WEAR

[Chart]

REDUCE WEAR BY UP TO 75%. TM8 helps protect your car's vital engine parts from the demands of "Stop and Go" driving, reducing camshaft bearing wear by as much as 75 percent compared to conventional oil.

MAIN BEARING WEAR WEIGHT LOSS (AVERAGE)

[Chart]

REDUCE WEAR BY UP TO 75%. TM8 protects engines during "Stop and Go" driving, reducing main bearing wear by as much as 75 percent compared to conventional oil. (Exhibit D)

E. Valvoline Web page on the Internet:

TM8 is a blend of eight scientifically formulated components - including DuPont's TEFLON fluoroadditive - that chemically bond to engine surfaces, reducing engine friction and wear....

"We've found scientific evidence in laboratory experiments and in a variety of engines that TM8 provides significant additional protection."

Main Bearing Wear Weight Loss (Average)

[Chart]

REDUCE WEAR BY UP TO 75%.

Camshaft Bearing Wear

[Chart]

REDUCE WEAR BY UP TO 75%....

We spent a great deal of time testing the existing products and experimenting with our own formulations to determine what worked and what didn't. Through extensive testing, we developed TM8. Our research shows that TM8:

\* protects the engine during "Stop and Go" driving

\* gives engine oil up to twice the protection in high temperature conditions

- \* improves fuel economy
  - \* protects engine at start-up, especially at low temperatures
- TM8 is designed to be used at least once every 50,000 miles. For optimum results, an engine may be re-treated with TM-8 once a year. (Exhibit E)

F. TM8 product packaging:

TM8 ENGINE TREATMENT WITH TEFLON® Fluoroad additive  
TREATS THE ENGINE, NOT THE OIL

- \* Protects engine during "Stop and Go" driving
- \* Gives engine oil up to twice the protection in high temperature conditions
- \* Improves fuel economy
- \* Protects engine at start-up, especially at low temperatures
- \* Compatible with all motor oils

A blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.

4. Treat your engine with TM-8 Engine Treatment at least every 50,000 miles. For optimal results, re-treat your engine with TM-8 Engine Treatment once a year. (Exhibit F)

PAR. 5. Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in paragraph four, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-F, respondent has represented, directly or by implication, that:

A. TM8 bonds Teflon to engine parts.

B. Compared to motor oil alone, TM8:

1. Reduces engine wear
2. Reduces camshaft bearing wear by up to 75%.
3. Reduces main bearing wear by up to 75%.
4. Under high temperature conditions experienced by engines, provides twice as much wear protection.
5. Extends the duration of engine life.
6. Improves fuel economy.

C. One treatment of TM8 lasts for 50,000 miles.

PAR. 6. Through the use of the statements and depictions contained in the advertisements and promotional materials referred to in paragraph four, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-F, respondent has represented, directly or by implication, that at the time it made the representations set forth in paragraph five, respondent possessed and relied upon a reasonable basis that substantiated such representations.

PAR. 7. In truth and in fact, at the time it made the representations set forth in paragraphs five, respondent did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in paragraph six was, and is, false and misleading.

PAR. 8. Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in paragraph four, including, but not necessarily limited to, the advertisement attached as Exhibit E, respondent has represented, directly or by implication, that tests prove that, compared to motor oil alone, TM8:

- A. Reduces camshaft bearing wear by up to 75%.
- B. Reduces main bearing wear by up to 75%.
- C. Under high temperature conditions experienced by engines, provides twice as much wear protection.
- D. Improves fuel economy.

PAR. 9. In truth and in fact, tests do not prove that, compared to motor oil alone, TM8:

- A. Reduces camshaft bearing wear by up to 75%.
- B. Reduces main bearing wear by up to 75%.
- C. Under high temperature conditions experienced by engines, provides twice as much wear protection.
- D. Improves fuel economy.

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

PAR. 10. 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 Thompson and Commissioner Swindle not participating.

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## EXHIBIT A



"END OF THE ROAD" :30



(MUSIC UNDER)



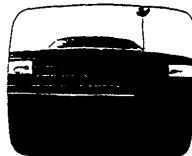
ANNCR: Your car's engine was made for the open road.



But that's not where it is day in and day out.



Stop and go driving



can kill an engine



by creating deposits



and wear



that rob performance and shorten engine life.



That's why you need the added protection of TM8.



a new engine treatment from Valvoline.



TM8 coats moving parts with eight friction-fighting ingredients including teflon.



So no matter where you are,



your engine will run



just like it's on the open road.



TM8 from Valvoline.



Because driving is more stop than go.

PV 421-14

Valvoline is a registered trademark of Valvoline Corporation. TM8 is a registered trademark of Valvoline Corporation.

## EXHIBIT B

## Radio Copy

Bozell Worldwide, Inc.  
Advertising  
40 West 23rd Street  
New York, New York 10010-5201  
212-727-5000

Date **September 7, 1995** Client **Valvoline** Job number \_\_\_\_\_  
Title & length **TM8 "Traffic Report" :50/:10** Product \_\_\_\_\_  
Commercial number \_\_\_\_\_ As produced date \_\_\_\_\_

Its, Its, moving like molasses out there...

Rubbernecking is heavy around the parkway...

There's an accident right where 295 meets the tunnel...

There's a good reason so many cars today have cellular phones, stereos that can play 12 CD's and even fax machines. People are spending more and more time stuck in traffic, and while stop and go driving is hard on you, it's even harder on your engine. Over time, stop and go driving creates deposits that rob your engine of performance, and shorten its life. That's why there is TM8 with teflon, a new engine treatment from Valvoline. TM8 reduces engine wear by coating moving parts with eight friction fighting ingredients. Eventually you'll be able to put moments like this behind you. With TM8, your engine can too.

TM8 from Valvoline. Because driving is more stop than go.

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## EXHIBIT C




*They can drive your engine  
to an early grave.*




Engines don't die from old age. They wear out. And in terms of wear, the most grueling kind of driving is stop-and-go driving. • It's so severe it creates deposits inside your engine that can cause wear and friction, robbing your engine of performance and shortening its life. • That's why there's TM8, a new engine treatment with Teflon from Valvoline. TM8's 8 friction-fighting ingredients chemically bond to moving parts, protecting your engine even at start-up. In fact, under high operating temperatures, motor oil treated with TM8 offers twice the protection. • And that's about as far as you can get from an early grave.





*Because driving is more stop than go.*



 Another high-performance product from The Valvoline Company  
A Division of Ashland Inc. © 1995



Ex C

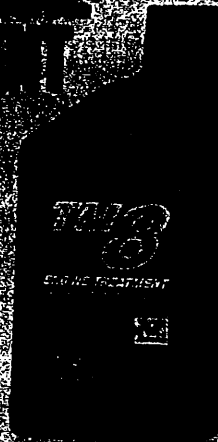
TMS Insert / Coupon 2/27/96 4:04 PM Page 1

**PROTECTING ENGINES**  
*To Our Business*

**ON YOUR NEXT  
PURCHASE OF  
TMS ENGINE  
TREATMENT  
SAVE  
\$3.00**



**\$2.99 BOTTLE  
RESULTS IN 100%  
CLEANER ENGINE  
NEXT PURCHASE**



**\$3.00  
OFF**

SAVE \$3.00 ON YOUR  
NEXT PURCHASE OF  
TMS™ ENGINE  
TREATMENT



**TMS**  
ENGINE TREATMENT

THIS OFFER EXPIRES AUGUST 31, 1996  
NOT VALID ON PURCHASES BEFORE  
JUNE 1, 1996 OR AFTER AUGUST 31, 1996

## EXHIBIT D

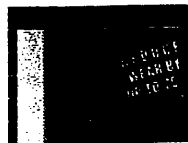
TM8 Insert / Coupon 2/27/96 4:04 PM Page 2

**Protecting Engines Is Our Business**

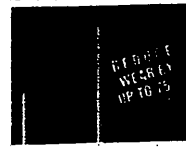
"Stop and Go" driving takes a toll on more than your patience; it can rob your car's engine of performance and shorten its life. Although you can't do much about the kind of driving you do every day, there is something you can do to reduce wear and tear on your engine: Add a quart of TM8™ Engine Treatment during your next oil change.

TM8 Engine Treatment from Valvoline is a blend of eight high-tech, scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear. Using TM8 Engine Treatment can help reduce the engine wear associated with "Stop and Go" driving.

While it's protecting your engine, TM8 can also improve your vehicle's fuel economy. Laboratory tests show that TM8 in conventional motor oil offered improved fuel economy, exceeding the American Petroleum Institute's ECI (Energy Conserving II) standards.

**CAMSHAFT BEARING WEAR**

TM8™ helps protect your car's vital engine parts from the demands of "Stop and Go" driving, reducing camshaft bearing wear by as much as 75 percent compared to conventional oil.

**MAIN BEARING WEAR**  
WEAR LOSS (AFTERMILE)

TM8 protects engines during "Stop and Go" driving, reducing main bearing wear by as much as 75 percent compared to conventional oil.

This offer expires August 31, 1996.

To receive your \$3.00 rebate by mail:

1. Buy 1 quart of TM8™ Engine Treatment.
2. Mail this required original certificate, UPC code from TM8 Engine Treatment package, and original dated store identified sales receipt indicating purchase of TM8 between June 1, 1996 and August 31, 1996 to:  
\$3.00 TM8 Rebate  
P.O. Box 4058  
Young America, MN 55558-4058

3. And receive a \$3.00 check by mail.

Rebate requests must be received by September 15, 1996. Limit of one rebate per household, address or organization. Rebate requests must be made on this special order form and may not mechanically reproduced. Trading of proof-of-purchase is strictly prohibited. Requests from P.O. Boxes will not be honored. Use of fictitious names, multiple addresses, or P.O. Boxes to obtain additional rebates is fraud and is in violation of Federal law, and may result in prosecution and a term of imprisonment, fine, or both. Offer void where prohibited.

taxed or otherwise restricted by law. Please allow eight weeks for shipment of your rebate check.

This coupon cannot be used in conjunction with any other Valvoline offer. Materials become the property of The Valvoline Company, a division of Ashland Inc.  
(please print, no address labels accepted)

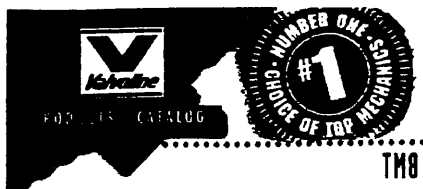
Name \_\_\_\_\_

Address \_\_\_\_\_ Apt. # \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## EXHIBIT E

Featured Product: TM8

<http://www.valvoline.com/tube/tm8/>

### TM8 Engine Treatment

Because driving is more stop and go.



There's good reason so many cars today have cellular phones, stereos that can play 12 CDs, and even fax machines. People are spending more and more time stuck in traffic.

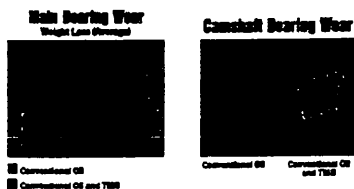
And while stop and go driving is hard on you, it's even harder on your engine. Over time, stop-and-go driving creates deposits that rob your engine of performance and dramatically shorten its life.



Each Year, *Lubricants World* presents its Outstanding Products Awards to recognize advancements that benefit not only the lubricants field but also society in general. Valvoline is proud to receive a 1996 Outstanding Products Award for its TM8 engine treatment.

That's why Valvoline developed TM8 engine treatment. TM8 is a blend of eight scientifically formulated components - including DuPont's TEFLON fluoroaditive - that chemically bond to critical engine surfaces, reducing engine friction and wear.

"TM8 is a product that works," said Fran Lockwood, Ph.D., Valvoline's vice president of technology and product development. "Our customers have requested that we produce an engine treatment for a long time, but we weren't convinced that they help engines perform better. We've found scientific evidence in laboratory experiments and in a variety of engines that TM8 provides significant additional protection. Our tests showed that when treated with TM8, conventional oil formed a thicker film between moving parts and worked at a broader range of temperatures, both hot and cold."



Recommended for use every 50,000 miles. TM8 protects engines during both stop-and-go and highway driving. Its patent-pending formulation delivers the following attributes:

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## EXHIBIT E

Featured Product: TM8

<http://www.valvoline.com/tube/tm8/>

- Gives engine oil up to twice the protection in high temperature conditions
- Protects engines at start-up, especially at low temperatures
- Improves fuel economy
- Protects against thermal breakdown

Learn even more about TM8 by reading our special [question and answer](#) section.

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### Get \$3.00 off on TM8

Check out the following magazines for a special TM8 coupon offer:

|              |                |
|--------------|----------------|
| Car & Driver | 4 wheel & Off  |
| Road & Track | Road           |
| Car Craft    | Field & Stream |
| Hot Rod      | Popular        |
| Sport Truck  | Mechanics      |
|              | Sport          |

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## Complaint

## EXHIBIT E

TM8 Q&amp;A

[http://www.valvoline.com/tube/tm8/tm8\\_qa.html](http://www.valvoline.com/tube/tm8/tm8_qa.html)

## TM8 Q&amp;A

**Q. Why did Valvoline decide to become the first motor oil marketer to develop its own engine treatment?**

Valvoline customers have been asking us to manufacture an engine treatment product for years. They knew that because of Valvoline's reputation for developing superior motor oils, a Valvoline engine treatment product would be a big hit with consumers.

We took a very hard look at the category and determined that there was a need for a high-quality engine treatment product, one that works -- a product that has been fully tested in standard ASTM engine tests, as well as in more strenuous experimental engine tests. And that's why we developed TM8.

**Q. What was learned during Valvoline's testing of engine treatment products?**

We spent a great deal of time testing the existing products and experimenting with our own formulations to determine what worked and what didn't. Through extensive testing, we developed TM8. Our research shows that TM8:

- ☐ protects the engine during "Stop and Go" driving
- ☐ gives engine oil up to twice the protection in high temperature conditions
- ☐ improves fuel economy
- ☐ protects engine at startup, especially at low temperatures

**Q. Who should consider using TM8 Engine Treatment?**

All of our oils -- including Valvoline® All-Climate®, DuraBlend® and High Performance Synthetic -- are of the highest quality and do not require additives. However, TM8 is designed for motorists looking for the most protection possible.

**Q. What's the difference between TM8 and Pyroil® Oil Treatment?**

TM8 treats the engine. It contains a synergistic combination of additives that form protective films over an unusually broad temperature range. This helps in start-up and stop-and-go (cold) conditions, as well as in highway (hot) conditions. More specifically, TM8 is a blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.

Pyroil Oil Treatment is a formula of carefully blended viscosity index improvers designed to reduce oil thinning at high engine temperatures.

**Q. How often should TM8 be used?**

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## EXHIBIT E

TM8 Q&amp;A

[http://www.valvoline.com/tube/tm8/tm8\\_qa.htm](http://www.valvoline.com/tube/tm8/tm8_qa.htm)

TM8 is designed to be used at least once every 30,000 miles. For optimum results, an engine may be re-treated with TM-8 once a year.

**Q. Can TM8 be used in diesel, marine, V8, V6 and V4 engines?**

TM8 may be used in V-8, V-6 and V-4 engines. TM-8 is not designed to be used in diesel or marine engines or in automatic transmissions, gear boxes or two-stroke engines.

**Q. Will using TM8 void a new car's warranty?**

TM8 will not void new car warranties and is safe for use in new or rebuilt engines during the break-in period.

**Q. How much TM8 should be used?**

In 4-quart capacity engines, substitute one quart of TM8 for one quart of motor oil. For larger or smaller engines, use mixtures of approximately 25 percent TM-8 and 75 percent motor oil.

**Q. Is TM8 compatible with motor oils other than Valvoline?**

Yes. TM8, with Valvoline® High Performance Synthetic as its carrier oil, gives optimum performance when added to Valvoline All-Climate, DuraBlend or High Performance Synthetic and has been shown to significantly enhance performance when added to other leading motor oils. TM8 is compatible with other motor oils and improves low-temperature performance of conventional motor oils.

**Q. Will any of TM8's scientifically formulated components be removed by the oil filter?**

No. None of TM8's components will be removed by the oil filter during normal engine operation.

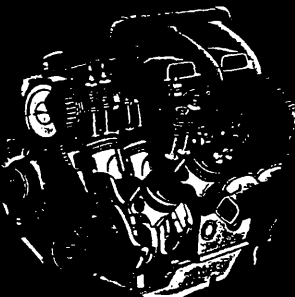
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## EXHIBIT F

**WITH TEFLON<sup>®</sup>**  
*Fluoroadditive*

## ENGINE TREATMENT



**TREATS THE ENGINE, NOT THE OIL**

- Protects engine during "Stop and Go" driving
- Gives engine oil up to twice the protection in high temperature conditions
- Improves fuel economy
- Protects engine at startup, especially at low temperatures
- Compatible with all motor oils

*A blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.*



**NET 32 FL. OZ. (1 QT) 946mL**

**ENGINE TREATMENT**

*Next Generation in Engine Treatments*  
*Treats The Engine Not The Oil*

TM-8 Engine Treatment moves engine performance and protection a generation ahead with its patent pending blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.

**Serious Results**

Just add one quart of TM-8, the next generation engine treatment, to an oil change of your favorite motor oil. TM-8 will:

- Protect engine during "Stop and Go" driving.
- Gives engine oil up to twice the protection in high temperature conditions.
- Improve fuel economy.
- Protect engine at startup, especially at low temperatures.
- Compatible with all motor oils.

TEFLON<sup>®</sup> is a registered trademark of DuPont



Valvoline Car Care Products  
Division of Ashland Inc.  
Lexington, KY 40509

Part No. TM8-32  
Made in USA ©1995

**WITH TEFLON<sup>®</sup>**  
**Fluoroadditive**

- Protects engine during "Stop and Go" driving
- Gives engine oil up to twice the protection in high temperature conditions
- Improves fuel economy
- Protects engine at startup, especially at low temperatures
- Compatible with all motor oils

*A blend of eight scientifically formulated components that chemically bond to critical engine surfaces, reducing friction and engine wear.*



**NET 32 FL. OZ. (1 QT) 946mL**

### DIRECTIONS

1. The *in vitro* phase after
2. The *in vitro* phase after
3. The *in vitro* phase after
4. The *in vitro* phase after
5. The *in vitro* phase after
6. The *in vitro* phase after
7. The *in vitro* phase after
8. The *in vitro* phase after
9. The *in vitro* phase after
10. The *in vitro* phase after

Tf.1-8 is compatible with all motor oils.

TJ-8 will not void new car warranties and is safe for use in new or rebuilt engines during the break-in period.

**CAUTION:** DO NOT use an electrical plug or cord that is damaged or frayed. Do not use a cord that is not rated for the power and load of the equipment.

**DISPOSAL INFORMATION:** Recycle in curbside recycling bin or call 1-800-453-5863 for more information. Do not place in household trash.

[illegible]

**KEEP OUT OF THE REACH OF CHILDREN:**

CONTENTS: 1. Introduction 2. Methodology 3. Results 4. Discussion 5. Conclusion

FIRST AID. EYES: Flush with water for 15 minutes.

State: \_\_\_\_\_

F S ALLOWED: 08-17-68

24 HOUR EMERGENCY NUMBER: 1-800-274-5263

TEFLON® is a registered trademark of DuPont.

Veholene Car Care Products  
Division of Ashland Inc.  
Lexington, KY 40509

Part No. TMS 72  
Made in USA 1995

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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 Bureau of Consumer Protection 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 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, now in 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 Ashland, Inc., is a Kentucky corporation, with its office and principal place of business located at 1000 Ashland Drive, Russell, KY.
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

## DEFINITIONS

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

*"Engine treatment"* shall mean packaged chemical ingredients sold to consumers as a supplement to fully-formulated motor oil in a vehicle's engine and as having the capacity to affect the engine or the engine's performance even after a subsequent oil change.

*"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.

### I.

*It is ordered*, That respondent Ashland, Inc., a corporation, 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 manufacturing, advertising, labeling, packaging, offering for sale, sale, or distribution of Valvoline TM8 Engine Treatment or any other engine treatment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Making any representation, in any manner, directly or by implication:

1. That such product bonds polytetrafluoroethylene, Teflon, or any other substance to engine parts;
2. That, compared to motor oil alone, such product:
  - a) Reduces engine wear.
  - b) Reduces camshaft bearing wear by up to 75%, or by any other amount.
  - c) Reduces main bearing wear by up to 75%, or by any other amount.
  - d) Under high temperature conditions experienced by engines, provides twice as much, or any other incremental degree, of wear protection.
  - e) Extends the duration of engine life.
  - f) Improves fuel economy;
3. That one or any other number of treatments of such product lasts for 50,000 or any other number of miles; or

4. Regarding the performance or attributes of such product,

unless, at the time of making such representation, respondent possesses and relies upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

B. Misrepresenting, in any manner, directly or by implication, the existence, contents, validity, results, conclusions, or interpretations of any test or study.

II.

*It is further ordered*, That, for five (5) years after the last date of dissemination of any representation covered by this order, respondent, its successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All labeling, packaging, advertisements and promotional materials setting forth any representation covered by this order;

B. All materials that were relied upon to substantiate any representation covered by this order; and

C. All tests, reports, studies, surveys, demonstrations or other evidence in their possession or control that contradicts, qualifies, or calls into question such representation or the basis upon which respondent relied for such representation, including complaints from consumers or governmental entities.

III.

*It is further ordered*, That respondent, its successors and assigns, shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in the 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 under this order.

IV.

*It is further ordered*, That respondent, its successors and assigns, shall forthwith distribute a copy of this order to each of its operating divisions and to each of its officers, agents, representatives, or

employees engaged in the preparation and placement of advertisements, promotional materials, product labels or other such sales materials covered by this order, and shall obtain from each such person or entity a signed statement acknowledging receipt of the order.

V.

*It is further ordered,* That this order will terminate on January 5, 2018, 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 had never been 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.

VI.

*It is further ordered,* That respondent, its successors and assigns, shall, within sixty (60) days after service of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied or intends to comply with this order.

Commissioner Thompson and Commissioner Swindle not participating.

IN THE MATTER OF  
TOYOTA MOTOR SALES, U.S.A., INC.

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

*Docket C-3776. Complaint, Jan. 5, 1998--Decision, Jan. 5, 1998*

This consent order prohibits, among other things, the California-based automobile manufacturer from omitting or burying key cost information in small, and at times, unreadable print in their automobile lease advertisements and from misrepresenting the costs of leasing, including the total amount due at lease signing. The consent order requires the respondent to disclose certain information clearly and conspicuously and to comply with all provisions of the specified acts and regulations.

*Appearances*

For the Commission: *Rolando Berrelez, Sally Pitofsky and David Medine.*

For the respondent: *Barry Cutler, Baker & Hostetler, Washington, D.C. and Barbara Arnold, in-house counsel, Torrance, CA.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Toyota Motor Sales, U.S.A., Inc., a corporation ("respondent" or "Toyota"), has violated the provisions of the Federal Trade Commission Act, 15 U.S.C. 45-58, as amended, and the Consumer Leasing Act, 15 U.S.C. 1667-1667e, as amended, and its implementing Regulation M, 12 CFR 213, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Toyota Motor Sales, U.S.A., Inc. is a California corporation with its principal office or place of business at 19001 South Western Avenue, Torrance, California. Respondent manufactures and distributes vehicles and offers such vehicles for sale or lease to consumers.

2. Respondent has disseminated advertisements to the public that promote consumer leases, as the terms "advertisement" and