

IN THE MATTER OF
AMERICAN HONDA MOTOR COMPANY, INC.

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

Docket C-3864. Complaint, April 6, 1999--Decision, April 6, 1999

This consent order, among other things, prohibits a California-based corporation from misrepresenting the extent to which any lawn mower is made in the United States.

Participants

For the Commission: *Kent Howerton, Laura Koss, and Elaine Kolish.*

For the respondent: *Harvey Applebaum, Covington & Burling, Washington, D.C.*

COMPLAINT

The Federal Trade Commission, having reason to believe that American Honda Motor Company, Inc. ("respondent") has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent American Honda Motor Company, Inc. is a California corporation with its principal office or place of business at 1919 Torrance Boulevard, Torrance, California.
2. Respondent has manufactured, advertised, labeled, offered for sale, sold, and distributed products to the public, including lawn mowers.
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.
4. Respondent has disseminated or has caused to be disseminated advertisements for its Honda Masters, Honda Harmony II 3-in-1 and Honda Harmony II lawn mowers, including but not necessarily limited to the attached Exhibits A through C. These advertisements contain the following statements:

- A. **Exhibit A, advertisement for Honda Masters**
"MADE IN AMERICA BY HONDA"

- B. **Exhibit B, advertisement for Honda Harmony II 3-in-1**
"MADE IN AMERICA BY HONDA"
- C. **Exhibit C, advertisement for Honda Harmony II**
"MADE IN AMERICA BY HONDA"

5. Through the means described in paragraph four, respondent has represented, expressly or by implication, that its Honda Masters, Honda Harmony II 3-in-1, and Honda Harmony II lawn mowers are made in the United States, *i.e.*, that all, or virtually all, of the component parts of the lawn mowers are made in the United States, and that all, or virtually all, of the labor in manufacturing the lawn mowers is performed in the United States.

6. In truth and in fact, a substantial portion of the components of the Honda Masters, Honda Harmony II 3-in-1 and Honda Harmony II lawn mowers is, or has been, of foreign origin. Therefore, the representations set forth in paragraph five were, and are, false or misleading.

7. 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

247u5

Honda Masters.TM The Ultimate Convertible.

HONDA
Lawn & Garden
Products That Work.



- Powerful 5hp Honda OHV engine
- Hydrostatic Drive (infinitely variable speeds)
- Converts to mulch or side discharge with optional kits
- 6 mowing height adjustments
- Many more features

MADE IN AMERICA BY HONDA

HR215K1HXA

Your Authorized Full Service Dealer.

C & E

**LAWN
EQUIPMENT
SPECIALIST**

2606 W. Lee Blvd. 357-1712

For optimum performance and safety please read the owner's manual before operating your Honda Power Equipment.
© 1998 American Honda Motor Co., Inc.

EXHIBIT A

EXHIBIT B

629703

Introducing the Honda Harmony™ II 3-in-1

- Bag
- Mulch
- Discharge

One Mower Does It All!

- 1-speed, self-propelled
- 3-in-1 convertible (mulch, bag, discharge)
- Powerful Honda OHC Premium Residential Engine
- 21" steel mowing deck
- 6 height adjustments



HRT216SDA

HONDA
Lawn & Garden
Products That Work.

Your Authorized Full Service Dealer

Fields Equipment
3203 Havendale Blvd., Winter Haven
967-0602

For optimum performance and safety, please read the owner's manual before operating your Honda Power Equipment.
©1998 American Honda Motor Co., Inc.

EXHIBIT B

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EXHIBIT C

Introducing the
Honda Harmony™ II



HRS216PDA

- Push-type mulcher
- Powerful Honda OHC Premium Residential Engine
- 21" steel mowing deck
 - 6 height adjustments
 - Standard side discharge chute

Starting at
\$299⁰⁰

HONDA
Lawn & Garden
Products That Work.

MADE IN AMERICA BY HONDA

Your Authorized Full Service Dealer.
Sales • Parts • Service • Rentals

DeJong Equipment
383 So. Dixie Hwy. (IL Rt. 1) Beecher, IL
(708) 946-6169

For optimum performance and safety, please read the owner's manual before operating your Honda Power Equipment.
© 1996 American Honda Motor Co., Inc.

EXHIBIT C

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 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 violations 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, and admission by the respondent of all the jurisdictional facts set forth in the draft 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 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 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 American Honda Motor Company, Inc. is a California corporation with its principal office or place of business at 1919 Torrance Boulevard, Torrance, California.
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, American Honda Motor Company, 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, labeling, advertising, promotion, offering for sale, sale, or distribution of any lawn mower in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44, shall not misrepresent, in any manner, directly or by implication, the extent to which any such lawn mower is made in the United States.

Provided, however, that a representation that any such lawn mower is made in the United States will not be in violation of this order so long as all, or virtually all, of the component parts of the lawn mower are made in the United States and all, or virtually all, of the labor in manufacturing the lawn mower is performed in the United States.

Provided, further, that this order shall not apply to the labeling of such lawn mowers manufactured before the effective date of this order.

II.

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

A. All labeling, packaging, advertisements and promotional materials containing the representation;

B. All materials that were relied upon in disseminating the representation; and

C. All tests, reports, studies, surveys, demonstrations, or other evidence in their possession or control that contradict, qualify, or call into question the representation, or the basis relied upon for the representation, including complaints and other communications with consumers or with governmental or consumer protection organizations.

III.

It is further ordered, That respondent American Honda Motor Company, Inc., and its successors and assigns, shall deliver a copy of this order to all current and future officers, directors, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

It is further ordered, That respondent American Honda Motor Company, Inc., and its successors and assigns, shall notify the Commission at least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided, however, that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place, respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C.

V.

It is further ordered, That respondent American Honda Motor Company, Inc., and its successors and assigns, shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade 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.

VI.

This order will terminate on April 6, 2019, or twenty (20) 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 this order if such complaint is filed after the order has terminated pursuant to this Part. 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 Part 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.

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IN THE MATTER OF
RAND INTERNATIONAL LEISURE PRODUCTS, LTD.

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

Docket C-3865. Complaint, April 6, 1999--Decision, April 6, 1999

This consent order, among other things, prohibits a New York-based corporation from misrepresenting the extent to which its bicycle tire tube, or any product, is made in the United States.

Participants

For the Commission: *Kent Howerton, Laura Koss, and Elaine Kolish.*

For the respondent: *Pro se.*

COMPLAINT

The Federal Trade Commission, having reason to believe that Rand International Leisure Products, Ltd. ("respondent") has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Rand International Leisure Products, Ltd. is a New York corporation with its principal office or place of business at 52 Executive Boulevard, Farmingdale, New York.

2. Respondent has labeled, offered for sale, sold, and distributed products to the public, including the Signature Self-Sealing Tube ("Self-Sealing Tube").

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.

4. Respondent has disseminated or has caused to be disseminated packaging for its Self-Sealing Tube, including but not necessarily limited to the attached Exhibit A. The packaging contains the following statement:

"Made in the U.S.A."