

IN THE MATTER OF
APPLE COMPUTER, INC.

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

Docket C-3890. Complaint, July 29, 1999--Decision, July 29, 1999

This consent order, among other things, prohibits Apple Computer, Inc., a California-based manufacturer and distributor of personal computers and other personal computer hardware and software products, from misrepresenting the terms of any technical support service offered in conjunction with the sale of such products. The consent order requires the respondent to provide access to technical support personnel at no charge to consumers who have been promised such support. The consent order also provides a refund to each such consumer who has paid to the respondent a fee for technical support services.

Participants

For the Commission: *Matthew Gold, Linda Badger, and Jeffrey Klurfeld.*

For the respondent: *Barry Cutler, Baker & Hostetler*, Washington, D.C. and *Mike Rubin and Larry Lowe*, in-house counsel, Cupertino, CA.

COMPLAINT

The Federal Trade Commission, having reason to believe that Apple Computer, Inc., a corporation ("Apple" 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:

1. Respondent Apple is a California corporation with its principal office or place of business at One Infinite Loop, Cupertino, California.
2. Respondent has manufactured, advertised, labeled, offered for sale, sold, and distributed personal computers, printers, scanners and other computer products to the public. From approximately September 1, 1992, until approximately April 1, 1996, Apple promised United States purchasers of these products that live, toll-free technical support would be available at no charge for as long as the purchaser owned the product.
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 Macintosh personal computers, Apple printers and Apple scanners, including but not necessarily limited to the attached Exhibits A through D. These advertisements contain the following statements and depictions:

A. "We build all our products to be easy to use, but if you ever need help, rest assured. Apple technicians are here with service and support, on our toll-free service hotline, 1 800 SOS-APPL."

[Exhibit A (direct mail advertisement)]

B. "A PARENT'S GUIDE TO COMPUTERS

SERVICE AND SUPPORT

YOU'LL FIND EVERYTHING you want in a Performa: just the right hardware configuration, easy setup, and bundled software to make you productive right away. You also get toll-free technical support over the phone for as long as you own your Performa. No matter what your problem, a customer support representative will talk you through each step in the solution."

[Exhibit B (Special advertising section insert: "A Parent's Guide to Computers.")]

C. "Apple Resource Guide

We're Here When You Need Us

Most important, Apple Assurance is part of every product Apple makes. Through Apple Assurance you have toll-free telephone access to Apple when you have questions about setting up and using your Apple product, and in case you require hardware repairs.

Every Apple product includes Apple Assurance. Apple Assurance includes 'up and running' support for as long as you own your Apple product. Trained staff members are ready to help you with the following topics:

- Installation and setup
- Compatibility with third-party hardware and software products
- Referrals for support of third-party products
- Hardware and software troubleshooting
- Dispatch of a service representative to your home should your system need to be repaired

User Assistance is open from Monday through Friday 6:00 A.M. to 6:00 P.M., Saturday 8:00 A.M. to 6:00 P.M., and Sunday 8:00 A.M. to 5:00 P.M. Pacific time."

[Exhibit C (Product insert: "Apple Resource Guide")]

D. "We'll help keep you up and running. . .

For as long as you own your Apple product.

Thank you for purchasing this Apple product. With your purchase you receive 'up and running' support from Apple as long as you own your Apple product. Specially trained staff members are ready to assist you in installation and set up,

compatibility, hardware and software troubleshooting, and product referrals....We can provide you with:

Toll-Free User Assistance

"We give you direct access to our specially trained staff! They can assist you with information on:

- Installation
- Compatibility
- Configuration
- Basic product use

User Assistance is available Monday through Friday excluding holidays. Hours in the United States are 6 a.m. to 6 p.m. Pacific time.

Call User Assistance at:

1-800-SOS-APPL (1-800-767-2775)"

[Exhibit D (In-Box Registration Card)]

5. Through the means described in paragraph four, respondent has represented, expressly or by implication, that a consumer purchasing an Apple product would have toll-free telephone access to Apple technical support personnel, at no charge, for as long as the consumer owned the product.

6. In truth and in fact, consumers purchasing Apple products between approximately September 1, 1992, and April 1, 1996, did not have toll-free telephone access to Apple technical support personnel, at no charge, for as long as they owned the product. In October, 1997, Apple began charging these consumers a fee for access to Apple technical support personnel. Therefore, the representation set forth in paragraph five was, and is, 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

Printers

Complete your system with one of our versatile, affordable printers.

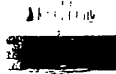
Whether you select the affordability of the StyleWriter II, the price/performance value of the Color StyleWriter Pro, or the high-end capabilities of the Personal LaserWriter 300 and Personal LaserWriter 320, these printers will bring your ideas to life.



StyleWriter II

- Cost-effective ink-jet printing
- 360 dpi laser-quality output
- Cable & ink cartridge included

\$276



Color StyleWriter Pro

- Affordable color printing
- 360 dpi
- Cable & ink cartridges included

\$557



Personal LaserWriter 300

- True 300 dpi laser printing
- Compact, energy-efficient design
- Cable & toner cartridge included

\$579



Personal LaserWriter 320

- Enhanced 300 dpi laser printing
- Adobe® PostScript® Level 2
- Cable & toner cartridge included

\$843

The Apple Educator Advantage

Since 1987, Apple has offered educators special discounts and great deals on computers to use at home. So all the advantages of Macintosh are within the reach of educators like you — teachers, principals, school board members, PTA/PTO executive officers, and AFT/NAEYC members.* And with new, faster ordering and complete systems created just for you, bringing home the perfect new Macintosh has never been easier.

Offer expires July 17, 1994, so call today.

1 800 959-2775 ext. 503

24 hours a day, 7 days a week



Be one of the first to order a computer system or printer and receive HomePublisher for only \$29*.

5 reasons to buy direct from Apple

It's a great deal.

When you order your home computer through the Apple Educator Advantage program, you get special discounts on the latest computers and software, chosen just for educators like you.

It's easy.

You know Apple products are easy to use, and now they're easy to get. We're here 24 hours a day, 7 days a week. Just call 1 800 959-2775, ext. 503, with your credit card. We accept Visa, MasterCard, American Express, and Discover.

It's complete.

Apple experts have put together everything you need, from powerful computers to exciting software chosen just for you. And now Apple also offers disability solutions through Educator Advantage.

It's fast.

Pending product availability, now you can choose speedy next-day delivery, to get your new Macintosh right away. Or you may prefer regular UPS service, for delivery in 3 to 7 days. Just let us know, and your new Macintosh will be on your doorstep — as fast as you need it.

It's dependable.

We build all our products to be easy to use, but if you ever need help, rest assured. Apple technicians are here with service and support, on our toll-free service hotline, 1 800 SOS-APPLE.



© 1994 Apple Computer, Inc. All rights reserved. Apple, the Apple logo, Macintosh, Newton, HyperCard, PowerPC, Quadra, and ThinkPad are registered trademarks of Apple Computer, Inc., registered in the U.S. and other countries. Educator Advantage, HomePublisher, and Macintosh are trademarks of Apple Computer, Inc., registered in the U.S. and other countries. Adobe and PostScript are trademarks of Adobe Systems, Inc., registered in the U.S. and other countries. LaserWriter is a trademark of Apple Computer, Inc. All other brand names are trademarks of their respective companies. Not for institutional purchase. Limited to one system and one printer per academic year (July 1 through June 30). Offer good only in U.S. and Alaska. Offer good while supplies last. Offer expires July 17, 1994. *Some 1993 models of computer systems or printers will be eligible for purchase. See Apple HomePublisher for details. All purchases must be made by July 17, 1994. Products and prices subject to change without notice. Delivery subject to product availability. All sales are final.

EXHIBIT A

EXHIBIT B

A PARENT'S GUIDE TO COMPUTERS

EVERYTHING A NEW COMPUTER SHOPPER NEEDS TO KNOW

- What you can do with a computer
- How to choose a computer
- The exciting new world of multimedia
- Useful computer terms

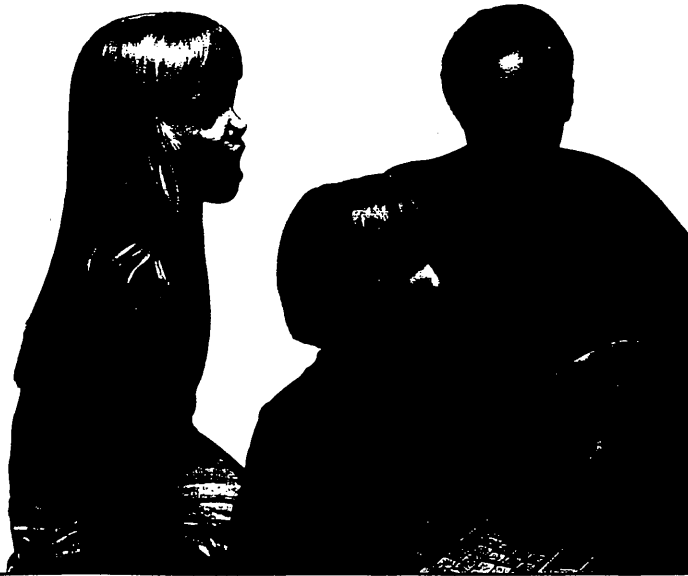


EXHIBIT B

EXHIBIT B

THE MACINTOSH PERFORMA

THE PERFECT CHOICE

THE POWER AND SIMPLICITY of the Mac makes it the perfect choice for everyone in the family. More students use Apple personal computers than any other brand, so chances are your kids are already using them in school. The Macintosh's easy-to-use point-and-click operation opens computing to any kid—or adult—who can use a mouse.

The Performa family is designed to be right at home with your family. It's easy to buy, easy to set up, and easy to use. And each Performa can run any of the literally thousands of educational, business, home productivity, and entertainment programs available.

EVERYTHING YOU NEED TO GET STARTED

A PERFORMA MAKES computer shopping as easy as can be. All you have to decide is which model best suits your needs. Apple has done all the rest. Everything you need is in one box: the computer, a color monitor, a keyboard, a mouse, a fax/modem, up to 16 software programs, digital sound, and speaker(s). Some models even have a

CD-ROM drive built right in.

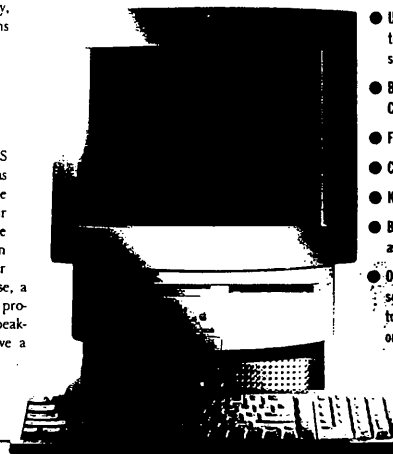
Your work and play springs to life in brilliant color on the Performa's high-resolution color monitor. Its 14-inch screen gives you plenty of workspace.

The built-in fax/modem not only can connect you to the vast realm of telecommunications and on-line services, but you can also send faxes directly from your computer to any fax machine.

Every Performa can grow with your family. Each one has

enough memory, power, and storage space to serve your family for years. However, should you decide you want to upgrade in the future, you can expand your Performa's RAM, hard drive storage, and even microprocessor to keep step with improvements in technology (such as the hot new PowerPC chip). Adding another hard drive, scanner, or CD-ROM drive is as simple as plugging one into a socket in back of the computer.

A COMPLETE COMPUTER SYSTEM:



- Up to 16 top-of-the-line software programs
- Built-in or optional CD-ROM drive
- Fax/modem
- Color monitor
- Keyboard and mouse
- Built-in digital sound and speaker(s)
- One year of no-cost service, including toll-free help and a one year warranty

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EXHIBIT B

EASY TO SET UP

PERFORMAS ARE INCREDIBLY easy to set up. Simply take the computer out of the box, attach the keyboard and mouse, connect the monitor (it's already connected in some models), plug in the power cord, and turn it on. A "Welcome Mat" right inside the box shows a clear diagram of the complete setup, so you never even have to open a manual.

SOFTWARE FOR THE ENTIRE FAMILY

EACH MACINTOSH PERFORMA comes with several hundred dollars worth of software already installed and ready to run. There's something for everyone in the family. ClarisWorks, Quicken, American Heritage Dictionary, and America Online are just some of the software programs featured in various Performa models.



ClarisWorks includes a word processor, a graphics program, a spreadsheet, and a database, all in one. Your daughter can write her novel, your son can create electronic masterpieces, Dad can calculate the family investment strategies, and Mom can keep accurate tabs on her business contacts.



Quicken, the best-selling small-business and personal finance package,

makes managing your finances as simple as entering transactions in your checkbook. It organizes your checking, savings, investments, loans, credit cards, assets and liabilities, so you'll always know exactly where you stand. Quicken can even analyze your financial picture with colorful graphs and flexible reports.

American Heritage Dictionary puts a wealth of information at your fingertips, and they'll never leave the Performa's keyboard. Find exactly the right fact, word, or spelling while you're working on a document, without losing a moment of your creative momentum!



America Online is perhaps the most Mac-friendly of the major

on-line services. Take advantage of the ten hours of free connect time that comes with your Performa to explore this incredible service. There's even a special forum called Club Performa in which you can communicate directly with Apple about your new computer.

SERVICE AND SUPPORT

YOU'LL FIND EVERYTHING you want in a Performa: just the right hardware configuration, easy setup, and bundled software to make you productive right away. You also get toll-free technical support over the phone for as long as you own your Performa. No matter what your problem, a customer support representative will talk you through each step in the solution.

And during the first year, if you're really stuck, Apple will send a technician right to your home, within 48 hours of your call! You also get a one-year limited warranty on your Performa's parts and workmanship.

**For More Information**

For your nearest Performa retailer, call:

1-800-538-9696

(extension 225)



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APPLE3

Apple Resource Guide

800# Support, Service, and Training

Includes your Apple One-Year Limited Warranty and Apple Software License Agreement

Complaint

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EXHIBIT C

We're Here When You Need Us

Thank you for purchasing an Apple computer. At Apple, we build powerful, sophisticated products that are surprisingly easy to use, right out of the box. We want your computing experience to be pleasant and successful all along the way, so we've developed comprehensive customer services that are just as easy to use as our products.

Most important, Apple Assurance is part of every product Apple makes. Through Apple Assurance, you have toll-free telephone access to Apple when you have questions about setting up and using your Apple product, and in case you require hardware repairs. In addition, we pack comprehensive support materials into every box. These include award-winning instruction and reference manuals, interactive computer-based training programs, and on-line help. We have also established strong relationships with service, support, and training providers who have the expertise to meet your specialized support needs.

This guide outlines the services, products, and technologies we've developed to support you now and in the future. These programs reflect one of our strongest commitments to you as an Apple owner. We want to make sure our easy-to-use computers stay that way. If you ever need us, we'll be here.



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How To Find Us

Product Support—Questions About Setting Up and Using Your Apple Computer

For user assistance beyond what is provided in the Setup poster, reference manual, and troubleshooting section of the manual 2
1-800-SOS-APPLE (1-800-767-2775)
 For help with non-Apple software 2
Call the manufacturer directly
 For referrals to user groups, which provide help, training, and other services 3
1-800-538-9696, ext. 500

Hardware Repair Services

For repair services during your one-year warranty 3
See your retailer or call 1-800-SOS-APPLE (1-800-767-2775)
 For extended service agreements and other service options after your one-year warranty has expired 3
See your retailer or call 1-800-538-9696
 For the name of an Apple Authorized Service Provider 3
1-800-538-9696, ext. 525

Making the Most of Your Performance

For referrals to Apple Training Alliance members 4
1-800-732-3131, ext. 400
 For information about Worldwide Disability Solutions 4
(408) 974-7910 or (408) 974-7911 (TDD)

Customer Relations

To speak with an Apple representative about customer relations concerns 4
1-800-776-2333

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APPLE3

EXHIBIT C

Product Support

When you have a question, we suggest that before calling Apple, you check the materials included with your product. Apple's award-winning product manuals provide step-by-step instructions, organized so that you can quickly and easily find the information you need. Or you might check the Setup poster, Glossary, or Troubleshooting section of the reference manual. If you have a question about software, you can often find an answer by clicking the Balloon Help icon () at the upper-right corner of the menu bar and choosing Show Balloons, or by checking the reference manual provided with the application program you're using.

User Assistance

Every Apple product includes Apple Assurance. Apple Assurance provides "up-and-running" support for as long as you own your Apple product. Trained staff members are ready to help you with the following topics:

- Installation and setup
- Compatibility with third-party hardware and software products
- Referrals for support of third-party products
- Hardware and software troubleshooting
- Dispatch of a service representative to your home should your system need to be repaired

User Assistance is open from Monday through Friday 6:00 A.M. to 6:00 P.M., Saturday 8:00 A.M. to 6:00 P.M., and Sunday 8:00 A.M. to 5:00 P.M. Pacific time.

To call User Assistance:
1-800-SOS-APPLE (1-800-767-2775).

Questions About Non-Apple Software:
Your questions are best addressed to the manufacturer of the application program you're using. For assistance with specific programs, please call the software company directly—the phone number is generally listed in the front of the program's reference manual. Apple does not provide support for other companies' software programs.

Club Performa

By using the modem included with your Performa, you can now connect to Club Performa on America OnLine—a great source of answers to frequently asked questions...even questions about software made by other companies!

America OnLine also offers electronic access to the latest news, weather, stock information, special interest groups and more! Refer to the most updated encyclopedia or find out about special Apple OnLine events and activities. You will even be able to talk to other computer users across the nation about whatever's on your mind or your computer.

For more information on Club Performa, please refer to the brochure included with your Performa.

Apple Product Information

Apple Assurance includes access to Apple's automated product information system, which can provide you with information on most Apple products, 24 hours a day, 7 days a week. You can also have product specifications sent

To access Apple Product Information:
1-800-SOS-APPLE (1-800-767-2775).

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APPLE3

Complaint

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EXHIBIT D



We'll help
keep you up
and running...

Product Registration.
Toll-Free User Assistance.
Details Inside.

000020
APPLE3



EXHIBIT D

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Complaint

EXHIBIT D


 The Apple logo, consisting of a stylized apple with a bite taken out of it, is positioned above the word "APPLE" in a sans-serif font.

For as long as you own your Apple product.

Thank you for purchasing this Apple product. With your purchase you receive "up and running" support from Apple as long as you own your Apple product. Specially trained staff members are ready to assist you in installation and set up, compatibility, hardware and software troubleshooting, and product referrals. We do need to hear from you—so please fill out and return your registration card today. We can provide you with:

**Toll-Free
User Assistance***

We give you direct access to our specially trained staff! They can assist you with information on:

- Installation
- Compatibility
- Configuration
- Basic product use

User Assistance is available Monday through Friday excluding holidays. Hours in the United States are 6 A.M. to 6 P.M. Pacific time.

Call User Assistance at:
1-800-SOS-APPL (1-800-767-2775)

*These services are available only in the United States of America.

When calling, please be prepared to provide:

- Your name, address, and telephone number
- Your date of purchase
- Serial number, if applicable
- General information about your Macintosh system configuration

For Repair Services

Call The Apple Authorized Service provider locator number 1-800-538-9696* ext. 525 for the service provider nearest you, or call 1-800-SOS-APPL* for general repair service information.

**Latest Product
Improvements**

We'll keep you up to the minute on major product improvements and advancements by sending you information on updates and upgrades.

**News of Special
Promotions**

Once you answer the questions below, we can notify you of special promotions on other Apple products that can enhance your investment and suit your specific personal computing needs.

Mail your registration card today. It only takes a minute. But the benefits go on for years.

©1993 Apple Computer, Inc. Apple, the Apple logo, ImageWriter, LaserWriter, Macintosh, and StyleWriter are trademarks of Apple Computer, Inc., registered in the U.S. and other countries. AppleColor and Performa are trademarks of Apple Computer, Inc. IBM is a registered trademark of International Business Machines Corporation. MS-DOS is a registered trademark of Microsoft Corporation.

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 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 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 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 comments filed thereafter by interested persons pursuant to Section 2.34 of its Rules, and having modified Appendix A to the order in several respects, 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 Apple Computer, Inc., is a California corporation with its principal office or place of business at One Infinite Loop, Cupertino, 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

DEFINITIONS

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

1. Unless otherwise specified, "*respondent*" shall mean Apple Computer, Inc., a corporation, its successors and assigns, and its officers, agents, representatives and employees.

2. "*Covered product*" shall mean a product listed in Appendix A that was purchased in the United States.

3. "*Eligible person*" shall mean the original owner (or original user) of a covered product, or any member of the immediate family of such person.

4. "*Commerce*" shall mean as defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

I.

It is ordered, That respondent, 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 product, in or affecting commerce, shall not misrepresent, in any manner, expressly or by implication, the terms of any technical support service offered in conjunction with the sale of such product.

II.

It is further ordered, That respondent, directly or through any corporation, subsidiary, division, or other device, shall provide access to technical support personnel, at no charge, to each eligible person who provides the valid serial number of a covered product for as long as such person owns the covered product. Such access shall be available within the United States through a toll-free telephone number.

III.

It is further ordered, That respondent, directly or through any corporation, subsidiary, division, or other device, shall in accordance with this Part, provide a refund to each eligible person who has paid to respondent a fee for technical support services for a covered

product, and notify each such person that future technical support for the covered product will be available at no charge.

A. Within five (5) days from the date of service of this order, respondent shall compile a list containing (1) the name and last known address of each eligible person who has paid to respondent a fee for technical support services for a covered product; and (2) the total amount each such person has paid. In addition, respondent shall retain a National Change of Address System ("NCOA") licensee to update this list by processing the list through the NCOA database.

B. Within twenty (20) days of the date of service of this order, respondent shall send via first-class mail, postage prepaid, a Notice of Refund in the form set forth in Appendix B to each eligible person whose name appears on the list required by Part III.A of this order. Respondent shall credit the eligible person's credit card account for the amount reflected on the list required by Part III.A of this order, and include notification of this action in the Notice of Refund. Alternatively, respondent shall include with the Notice of Refund a refund check for the amount reflected on the list required by Part III.A of this order.

C. No information other than that contained in Appendix B shall be included in or added to the Notice of Refund, nor shall any other material be transmitted therewith, except for (1) a refund check, if appropriate; and (2) a copy of Appendix A, at respondent's discretion. The envelope containing the Notice of Refund shall be in the form set forth in Appendix C. For each mailing returned by the U.S. Postal Service as undeliverable for which respondent thereafter obtains a corrected address, respondent shall, within fifteen (15) business days after receiving the corrected address, send a Notice of Refund and, if required by Part III.B of this order, a refund check, to the corrected address.

D. For a period of one hundred twenty (120) days from the date of service of this order, respondent shall send a Notice of Refund and, if required by Part III.B of this order, a refund check, to each eligible person who: (1) paid a fee for technical support services for a covered product; (2) was not reimbursed pursuant to Part III.B; and (3) contacts respondent or the Commission in any manner. Each mailing shall be made within fifteen (15) days after respondent receives such person's name and address.

E. For a period of one hundred twenty (120) days from the date of service of this order, respondent shall provide, and adequately staff during ordinary business hours, a toll-free telephone number to answer questions and provide information relating to this refund program.

F. Within one hundred fifty (150) days of the date of service of this order, respondent shall furnish to Commission staff the following:

1. A computer print-out copy of the list required by Part III.A of this order, as well as the list in computer readable form (as set forth in Appendix D);

2. In computer readable form (as set forth in Appendix D) and in computer print-out form, a list of the names and addresses of each eligible person who was sent a Notice of Refund pursuant to Part III.B of this order, and for each name included on the list, either (a) the amount, check number and mailing date of the refund check; or (b) the amount credited to the credit card account and the mailing date of the Notice of Refund;

3. In computer readable form (as set forth in Appendix D) and in computer print-out form, a list of the names and addresses of all consumers who contacted respondent or were referred to respondent by the Commission in accordance with Part III.D of this order;

4. Copies of all correspondence and other communications to, from, or concerning all consumers who requested a refund but were refused, and the reason(s) for denying the refund;

5. All copies of the Notice of Refund returned to respondent as undeliverable; and

6. All other documents and records evidencing efforts made and actions taken by respondent to identify, locate, contact and provide refunds to consumers requesting a refund.

IV.

It is further ordered, That respondent, 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 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.

V.

It is further ordered, That respondent, and its successors and assigns, shall deliver a copy of this order to all current and future principals and directors; to all current and future officers and managers with responsibilities or duties affecting compliance with the terms of this order; and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order. Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and, for a period of five (5) years from the date of issuance of this order, to future personnel within thirty (30) days after the person assumes such position or responsibilities.

VI.

It is further ordered, That respondent, 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.

VII.

It is further ordered, That respondent, 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.

VIII.

This order will terminate on July 29, 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:

- A. Any Part in this order that terminates in less than twenty (20) 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 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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APPENDIX A

APPENDIX A

Name	Model	Name	Model	Name	Model
Performa	200	PowerMac	7500	LaserWriter	11f
Performa	400	PowerMac	8100	LaserWriter	11g
Performa	405	PowerMac	8500	Personal LaserWriter	SC
Performa	410	PowerMac	9500	Personal LaserWriter	LS
Performa	430	PowerBook	145	Personal LaserWriter	NTR
Performa	450	PowerBook	150	Personal LaserWriter	300
Performa	460	PowerBook	160	Personal LaserWriter	320
Performa	466	PowerBook	165	LaserWriter	4/600
Performa	467	PowerBook	180	LaserWriter	16/600
Performa	475	PowerBook	190	Color LaserWriter	12/600
Performa	476	PowerBook Duo	210	Apple Color Printer	
Performa	550	PowerBook Duo	230	StyleWriter	1200
Performa	560	PowerBook Duo	250	StyleWriter	1500
Performa	575	PowerBook Duo	270	StyleWriter	2200
Performa	577	PowerBook Duo	280	StyleWriter	2400
Performa	578	PowerBook	520	StyleWriter	2500
Performa	580	PowerBook	540	StyleWriter II	
Performa	600	PowerBook Duo	2300	Portable StyleWriter	
Performa	630	PowerBook	5300	Apple OneScanner	
Performa	631	Messagepad		Apple Color OneScanner	
Performa	635	Messagepad	100	Apple Color OneScanner	600/27
Performa	636	Messagepad	110	Duo Dock	
Performa	637	Messagepad	120	Duo Dock II	
Performa	638	Macintosh Color Classic		Duo Dock Plus	
Performa	640	Macintosh IIfx		Duo MiniDock	
Performa	5200	Macintosh LC	475	AppleColor High-Res RGB	
Performa	5215	Macintosh LC	520	AppleVision	1710
Performa	5300	Macintosh LC	550	AppleVision	1710AV
Performa	6110	Macintosh LC	575	Apple AudioVision 14	
Performa	6112	Macintosh LC	580	Apple Basic Color	
Performa	6115	Macintosh LC	630	Apple Color Plus Display	
Performa	6116	Macintosh TV		Apple High-Res Mono	
Performa	6117	Quadra	605	Apple Multiple Scan	14
Performa	6118	Centris/Quadra	610	Apple Multiple Scan	15
Performa	6200	Quadra	630	Apple Multiple Scan	17
Performa	6205	Centris/Quadra	650	Apple Multiple Scan	1705
Performa	6214	Centris/Quadra	660	Apple Multiple Scan	20
Performa	6216	Quadra	800	Macintosh 12-inch Mono	
Performa	6218	Quadra	840	Macintosh 12-inch RGB	
Performa	6220	Quadra	950	Macintosh 16-inch Color	
Performa	6230	Macintosh LC III		Macintosh 21-inch Color	
Performa	6290	Macintosh LC III + (33MHz)		Macintosh Color 14 Display	
Performa	6300	ImageWriter II		Macintosh Portrait Display	
PowerMac	5200	LaserWriter Select	300	Macintosh Two-Page Mono	
PowerMac	5300	LaserWriter Select	310	Performa Display	
PowerMac	6100	LaserWriter Select	360	Performa Plus Display	
PowerMac	6200	LaserWriter Pro	600	QuickTake Camera	100
PowerMac	7100	LaserWriter Pro	630	QuickTake Camera	150
PowerMac	7200	LaserWriter Pro	810	QuickTake Camera for Windows	150

NOTE: The following suffixes may appear after a product name. Together with the suffix, the product should be considered INCLUDED in this list.

Suffixes: AV; B; CD; c; ce; cs; PS

Examples: Quadra 840AV; PowerMacintosh 8100/100AV; PowerBook 145B; Performa 600CD; PowerBook 165c; PowerBook 5300ce; PowerBook 190cs; LaserWriter 4/600 PS

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APPENDIX B

APPENDIX B

NOTICE OF REFUND

Dear [NAME]:

Our records show that you (or a member of your immediate family) are the original owner of an Apple product listed on the reverse side of this letter and that you have made payments to Apple since October 1997 for technical support service on the product. Although Apple has not admitted any wrongdoing, Apple has agreed to settle a dispute with the Federal Trade Commission by providing full refunds or credits to customers who are original owners (or members of their immediate families) of products on the list and who paid for technical support.

Accordingly, we are pleased [to enclose a refund check] [to send this notice that we have credited your charge card] to reimburse you for the payments you made for technical support. Apple also has agreed to provide free live technical support, including a toll-free telephone number for use within the United States, for any product on the list so long as the original owner (or a member of that person's immediate family) continues to own the product. Simply call our technical support number and provide the name, model and serial number of your product for verification, and you will have access to an Apple technician at no charge.

If you have any questions, please call 1-800-xxx-xxxx.

Sincerely,

[Apple Technical Service]

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APPENDIX C

Apple Computer, Inc.
[address]

FORWARDING AND RETURN POSTAGE GUARANTEED

[Address or address window]

**ATTENTION: NOTICE OF REFUND ENCLOSED FOR
USERS OF APPLE TECHNICAL SUPPORT**

APPENDIX D

APPENDIX D

SUBMISSION OF MAGNETICALLY-RECORDED INFORMATION

Magnetic media shall be submitted in the following forms and formats:

- (A) Magnetic storage media. The FTC will accept: (1) 9-track computer tapes recorded in ASCII or EBCDIC format at either 1600 or 6250 BPI; (2) 5.25-inch microcomputer floppy diskettes recorded in high or low densities; (3) 3.5-inch microcomputer floppy diskettes recorded in high or low densities; (4) CD-readable disks formatted to ISO 9660 specifications; (5) QIC-80 magnetic tapes formatted to Travan®-1, 2120 Ximat XL, or 2120 Ximat specification, uncompressed; (6) 5.25-inch ISO-standard rewritable optical disks with 512 sectors, formatted to 1.2 gigabytes; or (7) Iomega ZIP® disk. The FTC will accept 4mm & 8mm DAT and other cassette, mini-cartridge, cartridge, and DAT/helical scan tapes by pre-authorization only. In all events, files provided on 4mm DAT cassettes must not be compressed or otherwise altered by proprietary backup programs. Files provided on 8mm DAT cassettes must not be compressed or otherwise altered by proprietary backup programs but may be accepted with files compressed using TAR or CPIO, or created using DD copy or ufsdump.
- (B) File and record structures.
- (1) Magnetically-recorded information from centralized non-microcomputer-based systems.
- (a) File structures. The FTC will accept sequential files only. All other file structures must be converted into sequential format.
- (b) Record structures. The FTC will accept fixed length records only. All data in the record is to be provided as it would appear in printed format: *i.e.*, numbers unpacked, decimal points and signs printed.
- (2) Magnetically-recorded information from microcomputers.
- Microcomputer-based word-processing documents should be in DOS-text (ASCII), WordPerfect, or Microsoft Word format. Spreadsheets should be in Microsoft Excel (.xls), or Lotus-compatible (.wk1) format. Database files should be in Microsoft Access (.mdb), or dBase-compatible (.dbf) format. Database or spreadsheet files also may be submitted after conversion to ASCII delimited, comma separated format, with field names as the first record. Graphic images must be in TIFF 4 format, compressed and unencrypted. Other proprietary software formats for word processing documents, spreadsheets, databases, graphics and other data files will be accepted by pre-authorization only. For microcomputer files that are too large for one disk, files may be provided in a proprietary backup program format with prior authorization only or in compressed PKZip® format.
- (C) Documentation. Brief documentation of each file on tape or disk must be provided. (1) Files

APPENDIX D

provided on disk must be accompanied by the following information: (a) full pathname and (b) the disk on which the file resides. Where necessary, paths that must be created in order to successfully read submitted files on FTC equipment also must be provided

- (2) Files provided on tape must be accompanied by the following information: (a) filename; (b) the tape on which the file resides; (c) the position of the file on the tape. For sequential database files, the documentation also must include (a) the number of records contained in the file; (b) the length and block size of each record; and (c) the record layout, including (i) the name of each element, (ii) the respective element size, in bytes, and (iii) the element's data type. The documentation should be included in the same package as the tape, along with a printout of the first 100 records in report format.

- (D) Shipping. Magnetic media must be shipped clearly marked: **MAGNETIC MEDIA DO NOT X-RAY.**

IN THE MATTER OF

INTEL CORPORATION

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket 9288. Complaint, June 8, 1998--Decision, Aug. 3, 1999*

This consent order, among other things, prohibits Intel Corporation, the California-based manufacturer and marketer of microprocessors, from withholding or threatening to withhold advance technical information, basing product supply decisions upon the existence of an intellectual property dispute, and refusing to deal with certain customers as a means of coercing intellectual property licenses to their rival microprocessor and related technologies. In addition, the consent order requires the respondent to publish this order on its web site in a manner that provides reasonable notice to interested parties.

Participants

For the Commission: *John Horsley, Michael Antalics, Richard Parker, William Baer, Jeremy Bulow, Thomas Iosso, Jay Creswell, David Reiffen, and Steven Nelson.*

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

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Intel Corporation ("Intel") has engaged in a pattern of conduct, as described herein, that violates Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

A. The Respondent

1. Intel Corporation ("Intel") is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 2200 Mission College Boulevard, Santa Clara, California. For the fiscal year ended December 31, 1997, Intel reported revenues of approximately \$25 billion and profits of approximately \$6.9 billion.