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(Exhibit A, advertisement).

B. **“Up to \$100 Rebate***

Up to \$100 mail-in rebate on select Philips Monitors.

Offer good July 1 through September 30, 2001.”

(Exhibit B, advertisement).

C. **“To receive your rebate:**

1. Please fill in the following information:

Name _____

Street Address _____

City _____

State _____ ZIP _____

Phone (area code first) _____

Product Serial Number _____

Email _____

...

Please note:

...

C Please allow 8 weeks for delivery of your rebate check.

...”

(Exhibit C, rebate coupon).

5. Through the means described in Paragraph 4, respondent has represented, expressly or by implication, that respondent will deliver cash rebates to purchasers of Philips computer peripheral products within eight weeks of respondent’s receipt of their valid requests.

6. In truth and in fact, in numerous instances, respondent did not deliver cash rebates to purchasers of Philips computer peripheral products within eight weeks of respondent’s receipt of their valid requests. For its promotions offered through PCENA, from January 2001 to January 2002, over fifty thousand consumers experienced delays of up to six months or more. The rebates at issue ranged from \$20 to \$100 in value. Therefore, the representation set forth in Paragraph 5 was, and is, false or misleading.

**UNILATERAL MODIFICATION OF TERMS OR CONDITIONS OF
REBATE OFFER: UNFAIR BUSINESS PRACTICE**

7. In the advertising and sale of computer peripheral products, respondent has offered, expressly or by implication, that consumers would receive cash rebates within eight weeks if they purchased a Philip's computer peripheral product and submitted a rebate form with proof of purchase.

8. After receiving rebate requests in conformance with the offer described in Paragraph 7, respondent extended the time period in which it would deliver the rebates to consumers without consumers agreeing to this extension of time. Respondent failed to deliver the rebates to consumers within the promised time period.

9. Respondent's practice set forth in Paragraphs 7 and 8 was not reasonably avoidable, and caused substantial injury to consumers that was not outweighed by countervailing benefits to consumers or competition. This practice was, and is, an unfair act or practice.

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.

THEREFORE, the Federal Trade Commission this day of , 2002, has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: