

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman

4. Respondent is a “warrantor” as defined by the Warranty Act because it is a supplier or other person who gives or offers to give a written warranty or who is or may be obligated under an implied warranty. 15 U.S.C. § 2301(5).

5. 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 FTC Act.

RESPONDENT’S BUSINESS ACTIVITIES

Overview

6. Respondent’s MINI Division distributes new MINI passenger cars throughout the United States to authorized MINI dealers, who then sell or lease MINI passenger cars to consumers.

7. Respondent’s MINI Division, through MINI dealers, provides purchasers of new MINI passenger cars a “written warranty” as defined by the Warranty Act, 15 U.S.C. § 2301(6) form of a Service and Warranty Information Statement (“Warranty Statement”).

8. The length of the MINI New Passenger Car Limited Warranty offered by Respondent MINI Division is four years or 50,000 miles, whichever comes first.

14. By conditioning its warranty on the use of MINI dealers and genuine MINI parts without providing such parts and services without charge during the fourth year of its warranty, Respondent has violated the tying prohibition in the Warranty Act, which prohibits companies from conditioning their warranties on the consumer's use of any article or service (other than an article or service provided without charge under the terms of the warranty) identified by brand, trade, or corporate name.

15. Moreover, the Commission has not waived this prohibition as to Respondent, and Respondent has never sought such a waiver under the procedure identified in the Warranty Act, 15 U.S.C. § 2302(c).

THE WARRANTY ACT

16. The Warranty Act, 15 U.S.C. §§ 2301-2312, is the federal law that regulates consumer

THEREFORE, the Federal Trade Commission this ___ day of _____, 20___, has issued this Complaint against Respondent.

By the Commission.

[Donald S. Clark]
Secretary

SEAL: