UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Edith Ramirez, Chairwoman Julie Brill Maureen K. Ohlhausen Joshua D. Wright Terrell McSweeny

In the Matter of

SONY COMPUTER ENTERTAINMENT AMERICA LLC, a limited liability company. DOCKET NO. C-4514

DECISION AND ORDER

The Federal Trade Commission ("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 a complaint which the Western Region-San Francisco proposed to present to the Commission for its consideration and which, if issued, would charge the 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 Consent Order ("consent agreement"), which includes: a statement by respondent that it neither admits nor denies any of the allegations in the draft complaint except as specifically stated in the consent agreement, and, only for purposes of this action, admits the facts necessary to establish jurisdiction; 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 Federal Trade Commission 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 thirty (30) days for the receipt and consideration of public comments, and having duly considered the comments received from interested persons pursuant to Commission Rule 2.34, 16 C.F.R. § 2.34, now in further conformity with the procedure prescribed in Commission Rule 2.34, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Sony Computer Entertainment America LLC is a Delaware limited liability company with its principal office or place of business at 2207 Bridgepoint Pkwy, San Mateo, California 94404. SCEA is a wholly-owned subsidiary of Sony Corporation of America, Inc., headquartered in New York, New York.

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:

1. Unless otherwise specified, "respondent" shall mean Sony Computer Entertainment America LLC, a limited liability company, its successors and assigns, and its officers, agents, representatives, and employees.

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

3. "Clearly and prominently" shall mean as follows:

a.

5. "Handheld Game Console Product" means any handheld portable electronic device designed for and primarily used for playing video games that has its own screen, speakers and controls in one unit, including the PlayStation Vita ("PS Vita") and the PlayStation Portable ("PSP").

6. "Home Game Console Product" means any electronic device designed for and primarily used for playing video games on a separate television screen, including the PlayStation 3 ("PS3") and the PlayStation 4 ("PS4").

7. The term "including" in this order mea(i)-6 5())3(.)]TJ ()6 5())3(.)]T3.

IV.

IT IS FURTHER ORDERED that respondent shall offer Eligible Purchasers a check or credit for twenty-five dollars (\$25) or the alternative of a voucher (or entitlement) for merchandise, video games, and/or services with a retail value of fifty dollars (\$50) or more. Respondent shall provide such redress to Eligible Purchasers as follows:

A.

- E. Respondent shall send all twenty-five dollar (\$25) checks promptly through the U.S. Postal Service or shall, at the discretion of the Eligible Purchaser, promptly provide a twenty-five dollar (\$25) credit to the Eligible Purchaser's PSN account. Respondent shall promptly provide secure vouchers (or entitlements) for merchandise, video games, and/or services, redeemable through PSN accounts, to all Eligible Purchasers who choose this alternative. For the purposes of this order, "promptly" shall mean within sixty (60) days after the end of the Redress Period.
- F. For a period of one hundred eighty (180) days after the date of service of this order, respondent peral 7 p(i) + 2(p + 1) + 2(p

VII.

IT IS FURTHER ORDERED that respondent SCEA 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 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.

By the Commission.

Donald S. Clark Secretary

ISSUED: March 24, 2015

APPENDIX A

CASH BACK OR MERCHANDISE OFFER FROM SONY COMPUTER ENTERTAINMENT AMERICA LLC

Dear [NAME]

Our records show that you purchased a PlayStation Vita handheld game console prior to June 1, 2012. The Federal Trade Commission has alleged that some SCEA advertisements for the PlayStation Vita during this period were deceptive. Although SCEA neither admits nor denies liability in connection with this matter, SCEA has agreed to settle the dispute with the Federal Trade Commission by offering either cash back (or credit on your PSN account) or merchandise to customers who purchased a PlayStation Vita before June 1, 2012, and who have not returned the product for a full refund.

Accordingly, we are pleased to offer you the opportunity to receive a check for \$25 (or a \$25 credit on your PSN account). Alternatively, you are eligible to receive a merchandise voucher [or entitlement] that you can use to select from a list of merchandise, video games and/or services. The selection of merchandise, video games and/or services that are available through this offer has a retail value of \$50 or more.

You are eligible to receive either a check for \$25 (or a \$25 credit on your PSN account) or a merchandise voucher [or entitlement], but not both. For details of each offer and to make your choice of the \$25 check (or credit) or the merchandise voucher [or entitlement], please click here [link].

You MUST complete and submit the information requested in the above link by [Insert date equal to 90 days from service of this order] to be eligible to receive the \$25 check (or \$25 credit on your PSN account) or merchandise voucher [or entitlement] worth \$50 or more. Please be assured that your acceptance of this offer does not obligate you to purchase anything.

For more information on our settlement with the Federal Trade Commission, please visit <u>www.ftc.gov</u> and search for "Sony Computer Entertainment America."

If you have any questions, please call Sony Computer Entertainment America claims administration at 1-800-xxx-xxxx.

[CLICK-THROUGH PAGE]

Use this form to choose between a check for \$25 (or a \$25 credit on your PSN account) or a merchandise voucher [or entitlement] worth \$50 or more.

I certify that the information I am providing below is true and accurate, and agree to the provisions as set out below.

Check Next to Each of the Below If It Is True and Accurate:

I certify that I purchased a PlayStation Vita before June 1, 2012. _____ I certify that I have not returned my PlayStation Vita for a full refund. _____ I certify that I have neither already redeemed this offer, nor made any other consumer redress request for the PlayStation Vita from Sony Computer Entertainment America.

Required information:

My PSN ID is _____ (Your PSN ID is the email address where you received this notice.)

Optional Information:

The following information is not required, and will not affect your eligibility to receive either a check (or credit) or a merchandise voucher [or entitlement]. To help facilitate the administration of your request, please provide one of the following (both if you have them):

The SIRIS number ______ or SERIAL number ______ of the PlayStation Vita that you purchased before June 1, 2012. (The SIRIS number and the SERIAL number are found on the bottom edge of your PlayStation Vita product. The SIRIS number is left of the connector port and the SERIAL number is right of the connector port. These numbers are also found on the side panel of the PlayStation Vita package.)

Selection of Consumer Redress Offer:

Please select ONE of the following three Consumer Redress Offers. Additional information describing each offer is a 0.002 T6(o)-4(n)iaound on ls /P <</MCID 24 >>B .e.Td ()2tc(e)4.5(ma)60 + 0.002 +

[Fields for entering mailing address]

OR

2. _____ Instead of the \$25 check, I select a \$25 credit to be applied to my PSN account. Additional information describing this offer is available by clicking <u>here</u> [pop-up window or link].

OR

3. _____ I select the Merchandise Voucher [or Entitlement] good for \$50 or more in value of merchandise, video games and/or services. Additional information describing this offer is available by clicking <u>here</u> [pop-up window or link].

I understand that by submitting this request and accepting a refund of cash (or credit) or a merchandise voucher [or entitlement] issued through this program, I agree to waive any present or future claims I may have against Sony Computer Entertainment America LLC in connection with the advertising, labeling, promotion, offering for sale or sale of the PlayStation Vita for which I received consumer redress.

To Submit Your Request and Agree to the Above

CLICK HERE

APPENDIX B

CASH BACK OR MERCHANDISE OFFER FROM SONY COMPUTER ENTERTAINMENT AMERICA LLC

Dear Customer:

If you purchased a PlayStation Vita handheld game console before June 1, 2012, you may be eligible to receive cash back (or credit on your PSN account) or merchandise worth \$50 or

<u>COMPLETE, PRINT OUT, AND RETURN</u> THIS FORM WITH ALL REQUIRED MATERIALS

As part of the process to qualify the recipient of this form as an Eligible Purchaser of a PlayStation Vita purchased before June 1, 2012, I have read the below, certify that the information and accompanying materials are true and accurate, agree to the provisions, and confirm my selection of consumer redress.

<u>Check</u> next to each of the below if it is true and accurate:

I certify that I purchased a PlayStation Vita before June 1, 2012. _____ I certify that I have not returned my PlayStation Vita for a full refund. _____ I certify that I have neither already redeemed this offer, nor made any other consumer redress request for the PlayStation Vita from Sony Computer Entertainment America

Required information:

Name: ______
Home Address: _____

To help facilitate the administration of your form, and ensure that Eligible Purchasers meet the qualifications, please provide EITHER the SIRIS number ______ OR the SERIAL number ______ of the PlayStation Vita that you purchased before June 1, 2012. (The SIRIS number and the SERIAL number are(r)5(m,)2(a)6(n)2810v 3.1- 6.8 n c

OR

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