

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: **Edith Ramirez, Chairwoman**
 Julie Brill
 Maureen K. Ohlhausen
 Terrell McSweeney

In the Matter of

**BMW of North America, LLC
a limited liability company.**

DOCKET NO. C-4555

COMPLAINT

The Federal Trade Commission (“FTC”), having reason to believe that BMW of North America, LLC, a limited liability company, (“Respondent”) 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 BMW of North America, LLC (“BMW”), is a Delaware limited liability company with its principal place of business at 300 Chestnut Ridge Road, Woodcliff Lake, New Jersey 07677. Respondent uses, among others, the trade names MINI USA and the MINI Division of BMW NA.
2. Respondent has advertised, marketed, offered for sale, sold, and distributed products through authorized dealers to consumers, including MINI passenger cars and MINI parts.
3. The FTC enforces the Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301-2312, (“Warranty Act”), which regulates consumer warranties and the procedures used to resolve warranty disputes. The broad purposes of the Warranty Act are: (1) to improve the adequacy of warranty information available to consumers, and thereby facilitate consumer choice; (2) to prevent deception; and (3) to improve competition in the marketing of consumer products. Among other things, the Warranty Act prohibits a warrantor from conditioning a consumer product’s warranty on the consumer’s use of an article or a service (other than an article or a service provided without charge) which is identified by brand, trade, or corporate name. 15 U.S.C. § 2302(c). Pursuant to Section 2310(b) of the Warranty Act, 15 U.S.C. § 2310(b), a violation of the Warranty Act constitutes a violation of Section 5(a)(1) of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1) (“FTC Act”).

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 warranties and the procedures used to resolve warranty disputes. It also directs the FTC to prescribe rules enforcing certain requirements pertaining to the use and content of consumer warranties.

17. Section 2302(c) of the Warranty Act, 15 U.S.C. § 2302(c), prohibits any warrantor from conditioning a warranty on the consumer's using, in connection with the warranted product, any article or service (other than an article or service provided without charge under the terms of the warranty) which is identified by brand, trade, or corporate name.

Count I Violating the Tying Prohibition of the Warranty Act

18. In numerous instances, Respondent has conditioned a warranty on the consumer's using, in connection with the warranted product, an article or a service (other than an article or a service provided without charge under the terms of the warranty) identified by brand, trade, or corporate name.

19. The acts or practices of Respondent, as described in Paragraph 18 above, violate the Warranty Act, 15 U.S.C. § 2302(c), and Section 5(a)(1) of the FTC Act, 15 U.S.C. § 45(a)(1).

THEREFORE, the Federal Trade Commission this twenty-first day of October, 2015, has issued this Complaint against Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: