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

COMMISSIONERS: Lina M. Khan, Chair Noah Joshua Phillips Rebecca Kelly Slaughter Christine S. Wilson Alvaro M. Bedoya

In the Matter of

WEBER-STEPHEN PRODUCTS LLC, a limited liability company.

**DECISION AND ORDER** 

**DOCKET NO. C-**

#### DECISION

The Federal Trade Commission ("Commission") initiated an investigation of certain acts and practices of the Respondent named in the caption. The Commission's Bureau of Consumer Protection ("BCP") prepared and furnished to Respondent a draft Complaint. BCP proposed to present the draft Complaint to the Commission for its consideration. If issued by the Commission, the draft Complaint would charge Respondent with violations of the Federal Trade Commission Act and the Magnuson-Moss Warranty Act.

Respondent and BCP thereafter executed an Agreement Containing Consent Order ("Consent Agreement"). The Consent Agreement includes: 1) statements by Respondent that it neither admits nor denies the allegations in the Complaint, except as specifically stated in this Decision and Order, and that only for purposes of this action, it admits the facts necessary to establish jurisdiction; and 2) waivers and other provisions as required by the Commission's Rules.

The Commission considered the matter and determined that it had reason to believe that Respondent has violated the Federal Trade Commission Act and the Magnuson-Moss Warranty Act, and that a Complaint should issue stating its charges in that respect. The Commission accepted the executed Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. The Commission duly considered any comments received from interested persons pursuant to Section 2.34 of its Rules, 16 C.F.R. § 2.34.

### Findings

- 1. Respondent is Weber-Stephen Products LLC, a limited liability company with its principal office or place of business at 1415 South Roselle Road, Palatine, Illinois, 60067.
- 2. The Commission has jurisdiction over the subject matter of this proceeding and over Respondent, and the proceeding is in the public interest.

## ORDER

## Definitions

For purposes of this Order, the following definitions apply:

- A. **"Clearly and Conspicuously"** means that a required disclosure is difficult to miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including in all of the following ways:
  - 1. A visual disclosure, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
  - 2. An audible disclosure, including by streaming video, must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to easily hear and understand it.
  - 3. In any communication using an interactive electronic medium, such as the Internet or software, the discatr and unTd[I)[A)2 u64d underse /ID 9 Bj04.6364rl,4d34.965 -2.295 Td(3. )TjEM?

- C. **"Implied Warranty"** means an implied warranty answer and the sale by a supplier of a consumer product.
- D. **"Respondent"** means Weber-Stephen Products LLC **ahtep**rrn Tw lyr

## **II. Prohibited Claims and Conduct**

**IT IS FURTHER ORDERED** that Respondent, and Respondent's officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting, directly or indirectly, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of Consumer Products cost more than five dollars shall not:

- 1. Make any representation, or assist others in making any representation, expressly or by implication, except for representations regarding Consumer Products that are offered free of charge under the warranty or for which the Commission has provided a waiver under 15 U.S.C. § 2302(c), that:
  - a. A warranty will or may be void if a consumer uses unauthorized or third-party parts or services in connection with the Consumer Product;
  - b. A warranty will or may be void if a consumer makes any modifications to the Consumer Product, without the Respondent's authorization or approval; or

- A. Respondent shall identify consumers who both (1) purchased a Weber gas or electric grill between May 1, 2012 and the effective date of the entry of this Order; and (2) registered a warranty on a Weber gas or electric grill and opted in to receiving communications from Weber ("Eligible Customers").
  - 1. Such Eligible Customers, and their contact information, must be identified to the extent such information is in Respondent's possession, custody or control, including from third parties such as authorized sellers and service providers of Weber products.
  - 2. Eligible Customers include those identified at any time, including after Respondent's execution of the Agreement.
- B. Respondent must notify all identified Eligible Customers by mailing or emailing each a notice in the form shown in Attachment A ("Notice"). The communication containing the notification letter may contain a copy of this Order, but no other document or enclosure.
- C. For all electric and gas grills manufactured 90 or more days from the date on which this Order is entered, Respondent shall include a paper warranty that complies with Sections I and II of this Order.
- D. Respondent must post Clearly and Conspicuously on Respondent's website, <u>www.weber.com</u> and on its smartphone/tablet app, an exact copy of the notice attached hereto as Attachment A, as well as the terms of the warranty.
- E. Respondent shall ensure that the exact copy of the notice attached hereto as Attachment A and the terms of its warranty remain posted Clearly and Conspicuously on its website and on its smartphone/table app for at least 5 years after the effective date of this Order.
- F. Respondent must report on its notification program under penalty of perjury:
  - 1. Respondent must submit a report that summarizes its compliance to date, including the total number of Eligible Customers identified, within 60 days of the effective date of the Order.
  - 2. If a representative of the Commission requests any information regarding the program, including any of the underlying customer data, Respondent must submit it to the Commission within 10 days of receipt of the request.
  - 3. Failure to provide required notices or any requested information will be treated as a continuing failure to obey this Order.

# IV. Acknowledgments of the Order

**IT IS FURTHER ORDERED** that Respondent obtain acknowledgments of receipt of this Order:

A. Respondent, within 10 days after the

- D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: \_\_\_\_\_" and supplying the date, signatory's full name, title (if applicable), and signature.
- E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: In re Weber-Stephen Products LLC, Docket No.

## VI. Recordkeeping

**IT IS FURTHER ORDERED** that Respondent must create certain records for 5 years after the issuance date of the Order and retain each such record for 5 years. Specifically, Respondent must create and retain the following records:

- A. accounting records showing the revenues from all goods or services sold;
- B. personnel records showing, for each person providing services in relation to any aspect of the Order, whether as an employee or otherwise, that person's: name; addresses; telephone numbers; job title or position; dates of service; and (if applicable) the reason for termination;
- C. copies or records of all consumer complaints, warranty coverage claims, and refund requests relating to Respondent's warranties, whether received directly or indirectly, such as through a third party, and any response;
- D. a copy of each unique warranty or other document summarizing or referring to the warranty; and
- E. all records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission.

## **VII.** Compliance Monitoring

B.