



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
NEW YORK REGIONAL OFFICE

150 William Street, 13th FL.
New York, NY 10038

November 21, 1995

Louis V. Gerstner, Jr., Chairman
International Business Machines Corporation
Old Orchard Road
Armonk, New York 10504

Re: International Business Machines Corporation, File No. 9423078

Dear Mr. Gerstner:

The Commission has conducted an investigation involving International Business Machines Corporation's possible violation of Section 5 of the Federal Trade Commission Act, through deceptive failure to disclose the actual viewable image size of computer monitors in connection with advertising of cathode ray tube, or "CRT," size.

Upon further review of this matter, it now appears that no further action is warranted by the Commission at this time. Following discussions among Commission staff, industry representatives, and others, the Electronic Industries Association has advised us that it now is engaged in the development of an industry guideline aimed at "the alleviation of potential consumer confusion over computer monitor screen sizes." Numerous industry members have advised us that they expect to participate in that process and to adhere to such a guideline. Further, reflecting extensive consultations between staff of the Commission and of the Attorney General of the State of California, California officials obtained a final judgment of the Superior Court of the State of California¹ that sets out actual viewable image size

¹ The People of the State of California v. Acer Peripherals, Inc.; Acer America Corporation; Apple Computer, Inc.; AST Research, Inc.; Compaq Computer Corporation; Daewoo Electronics Corporation of America, Daewoo Corporation, Daewoo International (America) Corp., and Dayteck Corporation; Dell Computer Corporation; Digital Equipment Corporation; DTK Technology (USA) Inc., DTK Computer Inc., and Vextrec Technology Inc.; Gateway 2000, Inc., Gateway 2000 Factory Outlet, Inc., Gateway 2000 Major Accounts, Inc., and Gateway 2000 Marketing Services, Inc.; International Business Machines Corporation; LG Electronics, Inc., formerly known as Goldstar Co., Ltd., LG Electronics U.S.A., Inc., formerly known as Goldstar U.S.A. Inc.; Leading Edge Products, Inc.; Nanao Corporation, and Nanao USA Corporation; NEC Technologies, Inc.; Packard Bell Electronics,

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disclosure requirements intended to ensure the non-deceptive advertising of size of computer monitors. Accordingly, the FTC investigation has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,



Michael Joel Bloom
Regional Director
New York Regional Office

¹(...continued)

Inc.; Samsung Electronics America, Inc., Samtron Displays, Inc., Samsung Electronics Co., Ltd., Samsung Display Devices Co., Ltd., Samsung Information Systems America, Inc., and Samsung America, Inc.; Tandy Corporation; and Viewsonic Corporation, and Optquest, Inc.