

**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

**MWE Investments, LLC, a limited liability
company.**

DOCKET NO.

COMPLAINT

The Federal Trade Commission, having reason to believe that MWE Investments, LLC, a limited liability company, has violated the provisions of the Federal Trade Commission Act, and the Magnuson-Moss Warranty Act (“Warranty Act”), 15 U.S.C. § 2301 et seq., and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent MWE Investments, LLC, a manufacturer and licensor of the Westinghouse brand mark for use on outdoor power equipment (“MWE Investments,” “Westinghouse,” or “Respondent”) is an Ohio limited liability company, with its principal office or place of business at 777 Manor Park Drive, Columbus, Ohio 43228.
2. Respondent has manufactured, advertised, offered for sale, sold, and distributed generators and generator parts and accessories, as well as other products, to consumers throughout the United States.
3. 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 Federal Trade Commission Act.

Respondent’s Business Activities

4. Respondent offers purchasers of its portable generators a limited written warranty (“warranty”), which constitutes a “written warranty” as defined by the Warranty Act, 15 U.S.C. § 2301(6).
5. The warranty covers repair expenses (parts and labor) for one year from the date of purchase, and replacement parts for three years from the date of purchase.

6. Respondent, through its written warranty, conditions warranty coverage on the use of genuine MWE Investments parts and accessories.

7. For example, Respondent's warranty states that "exclusions" under the warranty include "MWE Investments, LLC portable generators that utilize non-MWE Investments, LLC replacement parts" and "products that are altered or modified in a manner not authorized in writing by MWE Investments, LLC."

8. Respondent has not provided genuine MWE Investments parts or accessories to consumers without charge under the warranty. Respondent also did not seek a waiver from the Federal Trade Commission that would permit it to condition warranty coverage on the use of genuine MWE Investments parts and accessories.

MAGNUSON-MOSS WARRANTY ACT

9. The FTC enforces the Warranty Act, 15 U.S.C. §§ 2301-2312, 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.

10. Among other things, the Warranty Act prohibits a warrantor from conditioning a warranty for a consumer product that costs more than \$5 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, unless the warrantor applies for and receives a waiver from the Commission (the "Tying Prohibition"). 15 U.S.C. § 2302(c); *see also* 16 C.F.R. § 700.10.

11. A "warrantor" is defined by the Warranty Act as "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); *see also* 16 C.F.R. § 701.1(h).

12. Pursuant to Section 2310(b) of the Warranty Act, 15 U.S.C. § 2310(b), a violation of the Warranty Act, or a rule thereunder, constitutes a violation of Section 5(a)(1) of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1) ("FTC Act").

Count I Violations of the Tying Prohibition of The Warranty Act

13. Respondent gives, offers, has given and has offered written warranties, and is therefore a warrantor as that term is defined in the Warranty Act, 16 U.S.C. § 2301(5).

14. In numerous instances, Respondent has conditioned a warranty for consumer products costing more than \$5 on the consumer using, in connection with the warranted product, an article or service identified by brand, trade, or corporate name that was not provided to the consumer without charge under the terms of the warranty.

15. Respondent has never received, or even sought, a waiver from the Federal Trade Commission to excuse it from complying with Section 2302(c) of the Warranty Act.

16. The acts or practices of the Respondent, as described in Paragraphs 13-15, violate Section 2302(b) of the Warranty Act, 15 U.S.C. § 2302(c), and Section 5 of the FTC Act, 15 U.S.C. § 45(a)(1).

Count II
Deceptive Conduct in Violation of the Federal Trade Commission Act

17. In numerous instances, Respondent, a warrantor, has represented, directly or indirectly, expressly or by implication, that the validity of its warranty for consumer products costing more than \$5 is conditioned on the use, in connection with the warranted product, of genuine MWE Investments parts and accessories where such parts and accessories were not provided to the consumer free of charge under the warranty.

18. A warrantor cannot, as a matter of law, condition the validity of a warranty on the consumer's use, in connection with the warranted product, of an 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, unless it has received a waiver from the Federal Trade Commission. *See* 15 U.S.C. § 2302(c).

19. Respondent has never received, or even sought, a waiver from the Federal Trade Commission to excuse it from complying with Section 2302(c) of the Warranty Act.

20. Therefore, the representation set forth in Paragraph 17 is false or misleading.

21. The acts and practices of Respondent as alleged in Paragraphs 17-20 constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act.

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

By the Commission.

April J. Tabor
Secretary

SEAL: