

. H U ض% U L H Q Regional Director

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San Francisco, California 94103

Ju O \ , 2024

Via Federal Express

Eric Lu Chief Executive Officer G.B.T. Inc. 17358 Railroad St. City of Industry, CA91748

Compliance Warning Re: MagnusonMoss Warranty Act

UNITED STATES OF AMERICA FEDERAL TRADECOMMISSION WESTERNREGION SAN FRANCISCO

DearMr. Lu:

The Federal Trade& RPPLVVLRQ 3)7& RU 3& RPPLVVLRQ WKH Q SURWHFWLRQ DJHQF\ HQIRUFHV WKH)HGHUDO 475UDGH & RPI which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC Act requires that an representations be truthful and monisleading. The FTC also enforces the Magnuson 0 R V V : D U U D Q W \ \$ F W ³ W K H : \$ 200 De2 10/. The FWA/rranty 8 6 & Act is a law that governs consumer product warranties and, among other things, establishes disclosure standards for written warranties. The WarrantypAdtibits warrantors of consumer productscosting more than five dollafsom conditioning their written warranies on a FRQVXPHU¶V XVH RI DSOCh abs before it see Ovider hours is identified by brand, trade, or corporate name, unless the warranty states the article or servide be provided to the consumer for freer (2) the warrantor has been granted a waiver by the Commission. Similarly, warranty language that plies to a consumer acting reasonably der the circumstances that warranty coverage regultres on sume to purchase an article or service identified by brand, trade or corport and is similarly deceptive and prohibited violation of

¹ 15 U.S.C. §2302(c). Awarrantomay apply for a waiver by demonstrating the Commission that the warranted product will function properly only if the article or service so identified is used in connection with the warranted product and that the waiver is in the public interest

the Warranty Act is a violation of Section 5 of the FTC Act, and fine has previously brought actions against companies for this type of Section 5 violation.

In addition, claims by a warrantor that create a false impression that a wavarrantor would be void due to the use of unauthorized parts or service may, apart from the Warranty Act, constitute a deceptive practice under Section 5 of the FTC⁴ Addsent a Commission waiver pursuant to Section 2302(c) of the Warranty Act, a warrantor claim or suggesting that a warranty is void simply because a consumer used unauthorized parts or service would have no basis for such a claim.

7 KH) $7 \& \P \text{ V}$: HVWHUQ 5HJLRQ 6DQ) UDQFLVFR KDV UHYLH related to products offered (6)/B.T. Inc. 3*, *\$% < 7(DYDLODEOH RQ JLJDE WHconcerns about certain representations GIGABYTE is making regarding its warranty coverage.In particular, staff is concerned about the repair restrictions inherent in the following statements $in GIGA % < 7(<math>\P \text{ V} \text{ ZULWWHQ ZDUUDQW}$

If the manufacturing sticker inside the product was removed or damaged, it would no longer be covered by the warranty.

Staff similarly would be concerned about any additional representations made by GIGABYTE that state or implyhat its warranty coverage requires a consumer to purchase an article or service identified by GIGABYTE or another brand, trade or corporate name. Furthermore, staff would be concerned if GIGABYTE, in practice, denied warranty coverage based on the warrantprovisions quoted above or any similar provision.

This letter places you on notice that violations of the Warranty and FTC Acts may result in legal action. FTC investigators have copied and preserved the online pages in question, and we plan to review yok U FRPSDQ\¶V ZULWWHQ ZDUUDQW\ DQG materials after 30 days. You should review the Warranty and FTC Acts and, if necessary, UHYLVH \RXU SUDFWLFHV WIRTEXR DSION QWWK WKMHSOFOWLQJJ WKL QRW ZDLYH WKH KE BW Inforted Mentolaction Rank Seek appropriate injunctive and monetary remedies against GIGABYTE based on past or future violations.

³ See e.g, Decision and Ordeln re Harley-Davidson Motor CoGrp., LLC, FTC Docket No. C4778 (Oct. 21, 2022),https://www.ftc.gov/system/files/ftc_gov/pdf/21231#@rley-Davidsoncombinedpackagewithoutsignatues.pdf Decision and Ordeln re WeberStephen ProdsLC, FTC Docket No. C4775 (Sept. 14, 2022), https://www.ftc.gov/system/files/ftc_gov/pdf/WebStephen%20Decision%20and%20Order, pdfcision and Order,In re MWE Invs, LLC, FTC Docket No. C4774 (Aug. 11, 2022),https://www.ftc.gov/system/files/ftc_góv pdf/222%203012%20%20Westinghouse%20Decision%20and%20Order.pdf

⁴ 15 U.S.C.§ 45(a) 80 Fed. Reg. 42710, 42713 (July 20, 2015) (ci**lietig**er from James C. Miller III, Chairman,) H G 7 U D G H & RepQJohH DV Dingell (Oct. 14, 1983), reprinte**G**liffdale Assocs., Inc.103 F.T.C. 110, 174 (1984), https://www.ftc.gov/system/files/documents/public_statements/410531/83/e0ebptionstmt.pdf

Thank you for your attention to this mattelease direct any inquiries concerning this letter toAbdiel Lewisat alewis4@ftc.govand Alyssa Wu abwu1@ftc.gov

Sincerely,

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. HUU\ 2¶%ULHQ RegionalDirector Western Region SaFrancisco