



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WESTERN REGION SAN FRANCISCO

J. HUBBARD  
Regional Director

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90 Seventh Street  
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San Francisco, California 94103

June 10, 2024

Via Federal Express

Eric Lu  
Chief Executive Officer  
G.B.T. Inc.  
17358 Railroad St.  
City of Industry, CA 91748

Compliance Warning Re: Magnuson-Moss Warranty Act

Dear Mr. Lu:

The Federal Trade Commission (FTC) enforces the Magnuson-Moss Warranty Act, which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC Act requires that all representations be truthful and not misleading. The FTC also enforces the Magnuson-Moss Warranty Act, which is a law that governs consumer product warranties and, among other things, establishes disclosure standards for written warranties. The Warranty Act prohibits warrantors of consumer products costing more than five dollars from conditioning their written warranties on a purchase of a repair service, such as repair services, which is identified by brand, trade, or corporate name, unless the warranty states the article or service will be provided to the consumer for free or (2) the warrantor has been granted a waiver by the Commission. Similarly, warranty language that purports to a consumer acting reasonably under the circumstances that warranty coverage requires a consumer to purchase an article or service identified by brand, trade or corporate name is similarly deceptive and prohibited. A violation of

<sup>1</sup> 15 U.S.C. § 2302(c). A warrant may apply for a waiver by demonstrating to 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 FTC has previously brought actions against companies for this type of Section 5 violation.<sup>3</sup>

In addition, claims by a warrantor that create a false impression that a warranty may 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 FTC Act. Absent a Commission waiver pursuant to Section 2302(c) of the Warranty Act, a warrantor claiming or suggesting that a warranty is void simply because a consumer used unauthorized parts or service would have no basis for such a claim.

7KH )7 & ¶ V :HVWHUQ 5HJLRQ 6DQ )UDQFLVFR KDV UHYLH related to products offered by B.T. Inc. <sup>3</sup> \*, \* \$ % < 7 ( ' DYDLODEOH RQ J L J D E \ W H concerns 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 ( ¶ V Z U L W W H Q Z D U U D Q W \

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 imply that 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 warranty provisions 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 you X U FRP SDQ \ ¶ V Z U L W W H Q Z D U U D Q W \ D Q G materials after 30 days. You should review the Warranty and FTC Acts and, if necessary, U H Y L V H \ R X U S U D F W L F H V W I T X R L P S I O H Q L W W K W K M H S F G L Q J W K L Q R W Z D L Y H W K H ke & ¶ V enforcenkntvwrarw seek appropriate injunctive and monetary remedies against GIGABYTE based on past or future violations.

<sup>3</sup> See e.g., Decision and Order in re Harley-Davidson Motor CoGrp., LLC, FTC Docket No. C4778 (Oct. 21, 2022), [https://www.ftc.gov/system/files/ftc\\_gov/pdf/21231Harley-Davidsoncombinedpackagewithout-signatures.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/21231Harley-Davidsoncombinedpackagewithout-signatures.pdf); Decision and Order in re WeberStephen Prods. LLC, FTC Docket No. C4775 (Sept. 14, 2022), [https://www.ftc.gov/system/files/ftc\\_gov/pdf/WeberStephen%20Decision%20and%20Order.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/WeberStephen%20Decision%20and%20Order.pdf); Decision and Order in re MWE Invs, LLC, FTC Docket No. C4774 (Aug. 11, 2022) [https://www.ftc.gov/system/files/ftc\\_gov/pdf/222%203012%20%20Westinghouse%20Decision%20and%20Order.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/222%203012%20%20Westinghouse%20Decision%20and%20Order.pdf)

<sup>4</sup> 15 U.S.C. § 45(a); 80 Fed. Reg. 42710, 42713 (July 20, 2015) (cited hereinafter as "Cliffdale Statement"); *Cliffdale Assocs., Inc.*, 103 F.T.C. 110, 174 (1984), [https://www.ftc.gov/system/files/documents/public\\_statements/410531/8301410531statementmt.pdf](https://www.ftc.gov/system/files/documents/public_statements/410531/8301410531statementmt.pdf)

Thank you for your attention to this matter. Please direct any inquiries concerning this letter to Abdiel Lewis at alewis4@ftc.gov and Alyssa Wu at awu1@ftc.gov

Sincerely,



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Regional Director  
Western Region San Francisco