



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Advertising Practices

December 15, 2009

Jan R. McConnaughey, Chief Counsel
Eastman Kodak Company
343 State Street
Rochester, NY 14650

Re: *Kodak Inkjet Printers*, File No. 1023030

Dear Mr. McConnaughey:

As you know, the staff of the Federal Trade Commission's Division of Advertising Practices has conducted an investigation into whether Eastman Kodak Company (Kodak) violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, in connection with the advertising of its ESP All-in-One line of desktop inkjet printers. The National Advertising Division of the Council of Better Business Bureaus (NAD) referred this matter to us after Kodak declined to participate in the NAD's self-regulatory review process.

Specifically, our inquiry focused on Kodak's representations that consumers who buy its ESP inkjet printers, marketed for home use, will save on average \$110 per year on ink. Kodak calculated the savings claim by multiplying the average per-page savings on ink a consumer could achieve using its printers by a print volume of 1500 pages, a relatively high annual print volume. Of particular concern to the staff was that much of Kodak's advertising did not adequately disclose that consumers need to print this high volume in order to achieve the claimed \$110 savings. Other advertising indicated that this high print volume was typical for home users.

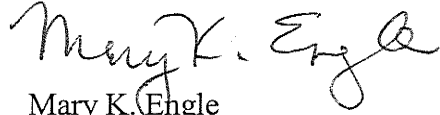
Upon careful review of the matter, including assurances made by Kodak about revisions to its advertising and non-public information submitted to the staff, we have determined not to recommend enforcement action at this time. Among other things, Kodak has indicated that it will modify all of its existing and future advertising and marketing materials for its ESP All-in-One line of printers to address the staff's concerns. In particular, Kodak has pledged to disclose, prominently and adjacent to any cost savings claim, the print volume necessary to achieve the advertised savings. Kodak already has modified some of its advertising, including on the Internet, and has indicated to the staff that it will complete promptly the necessary modifications to in-store materials, directing its retailers to use the revised versions. Finally, Kodak also has represented to the staff that it will take appropriate steps to ensure that any future cost savings claims are clear and not misleading. Therefore, it appears that no further action is warranted at this time, and the investigation is 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

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a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Very truly yours,

A handwritten signature in cursive script that reads "Mary K. Engle". The signature is written in black ink and is positioned above the typed name.

Mary K. Engle
Associate Director
Division of Advertising Practices