

# Company Pays \$21 Million Over Misleading Performance Claims

Gonzalo E. Mon

February 23, 2014

At the FTC's request, a federal court has ordered a light bulb manufacturer to pay more than \$21 million for misleading consumers by exaggerating the performance of their LED light bulbs.

The company advertised that its LED lights had a 30,000-hour life and lasted "15 times longer than 2,000 hour incandescent bulbs." The company later revised those claims downward several times, including a statement that the lights had a 12,000-hour life and lasted "6 times longer than 2,000 hour incandescent bulbs." According to the FTC, however, the company's own data showed that none of the bulbs that were tested lasted beyond a few thousand hours.



A California federal court found that the FTC had proved its case and that the company was liable for deceptive marketing. Last week, the court announced [an order](#) that, among other things, requires the company to pay \$21 million to the FTC. That amount represents the total amount consumers paid to the company for light bulbs based on the deceptive claims.

If you or your clients ever wonder what's the worst that can happen if you exaggerate how well your products perform, this might give you a good idea.