

JFTC issues a cease and desist order to used car dealerships in Aichi Prefecture on misleading representations by odometer-tampering

5 November 2003
Japan Fair Trade Commission

The JFTC, following an investigation into two used car dealerships, Universal World Corporation and Mr. SAKOU Hitoshi (shop name: Trade in Automobile), today issued a cease and desist order finding that violation of Section 4 (1) (misleading representation on quality) of the Premiums and Representations Act existed.

1. Parties to receive the order

-Universal World Corporation Nishikasugai County, Aichi Prefecture

-Mr. SAKOU Hitoshi Nagoya-city
(Shop name: Trade in Automobile)

2. Outline of violation

(1) Universal World Corporation, in June 2003, made the following misleading representations to consumers on 9 used car in the shop:

The company tampered the odometers and displayed fake mileage in the shop and magazines.

| Mileage examples: time of buying: | Display: |
|-----------------------------------|----------|
| 127,950km- | 78,096km |
| 124,304km | 74,058km |
| 129,000km | 79,461km |
| 139,800km | 79,293km |
| 104,800km | 71,225km |
| 185,900km | 85,539km |
| 134,000km | 71,160km |
| 107,000km | 77,641km |
| 108,275km | 69,160km |

(2) Mr. SAKOU, in July 2003, made the following misleading representations to consumers on 8 used car in the shop:

He exchanged the odometers and displayed fake mileage in the shop and magazines.

Mileage examples: time of buying: 134,225km-Display: 74,710km

| | |
|-----------|----------|
| 125,000km | 91,898km |
| 158,696km | 75,832km |
| 126,000km | 85,758km |
| 172,315km | 88,613km |
| 178,381km | 90,439km |
| 112,290km | 89,251km |
| 120,000km | 82,934km |

3. Outline of elimination measures

- (1) They shall announce that they have made the misleading representations.
- (2) They shall not make representations that mislead consumers in the future.