

VIA FAX (202) 326-2558 (W/O ENCLS.) AND FEDERAL EXPRESS (W/ENCLS.)



Hewlett-Packard Company  
3000 Hanover St.  
Palo Alto CA 94304  
www.hp.com

Aimee Jorgensen  
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14 September, 2001

Federal Trade Commission  
Enforcement Division IBCP  
601 Pennsylvania Avenue, N. W.  
Washington, D.C. 20580

SEP 21 2001

Attn: Lauren Kapin

**Re: Hewlett-Packard Company; FTC Docket No. C-4009**

Dear Ms. Kapin:

Thank you for your letter of August 30, 2001 and accompanying phone calls to review its contents.

A matter we discussed that was not referenced in your letter is HP's request for confidential treatment of the names, work addresses and phone numbers of those HP employees and agents responsible for HP's compliance with the Consent Order. It is well understood within our industry that companies routinely recruit and attempt to hire away the valuable employees of their competitors. This kind of employee raiding occurs not only so that the soliciting employer can acquire the employees' expertise but also as a means of gaining access to the competitor's trade secrets and other competitively sensitive information. Further, the California State Constitution in Article 1 section 1 provides that all California residents have a right of privacy. This right of privacy has been interpreted to create obligations for California employers with respect to the information it holds concerning its employees. Moreover, I believe that employees other than those in the highest ranks of the organization have an expectation of privacy that the company would not make their identities and work contact information public without their knowledge and consent. For these reasons HP respectfully requests confidential treatment of the names, work addresses and phone numbers of its employees.

In response to the points in your letter:

- (I.A.1.) An actual Jornada flipbook is enclosed. From this document it should be clearer that book is designed to be read open with two pages visible at the same time. However, now that we have a clearer understanding of your application of the "clear and conspicuous" requirement for publications such as this, we will take care that the disclosure better meets the requirement.



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3000 Hanover St.  
Palo Alto CA 94304  
[www.hp.com](http://www.hp.com)

Laureen Kapin, Esq.  
September 14, 2001  
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- (I.A.2.) "now you can be totally wired or totally unplugged"; "Banker. Broker. Correspondent. Reader. Writer. Shopper. DJ. Surfer." Please find original versions of these ads enclosed for your review. These ads are no longer running. "Banker; broker" ended in July 2001, and "totally wired" ended in August. I have been told that HP has no plans to re-run these ads. However, I understand your comments and we will work to avoid in future advertisements the concerns you raise.
- (I.A.3) Staples May 20, 2001 ad. We are taking steps to better communicate to our resellers the requirements of the order, and we will monitor the reseller ads through the use of a clipping service to this end.
- (I.B.1) [www.hp-at-home.com/topsecret/products/jornadas.html](http://www.hp-at-home.com/topsecret/products/jornadas.html). Now that we understand your position that disclosures on a web screen are insufficient that appear below the fold, even though they are on the same page as the claim, we will review all relevant web pages for compliance. As we work with outside vendors we will need several weeks to identify and correct any non-complying pages. This particular web page is being discontinued within the next few days.
- (I.B.2.) [www.hp.com/jornada/products/product\\_tour.html#](http://www.hp.com/jornada/products/product_tour.html#), product tour for the HP Jornada 700 Series Handheld PC. Laureen, as we discussed, the Jornada 700 series product is not a wireless product such as those that were the focus of the FTC staff's concerns.

It appears from notes of a meeting on November 8, 2000 with Elaine Kolish, your predecessor, Laura Koss, Jock Chung, Michael Ostheimer and Keith Miller all of the FTC staff, HP understood that (i) the negotiation history of an order, (ii) the concerns underlying a complaint and (iii) the position of the Division of Enforcement that it would not challenge any claims that were not intended to be challenged by the Division of Advertising Practices, together provide a "legislative history" for the Order's interpretation.

The FTC's concerns at that time focused on claims concerning wireless products for which a separately purchased wireless modem was required. We had understood that the FTC staff did not consider an everyday telephone cord such as those used to connect a desktop PC, or a laptop PC or the Jornada 700 series handheld to the internet as requiring a disclosure that a separately purchased piece of equipment was needed.

Accordingly, we did not include any materials for the jornada 700 series product in the compliance report, and will need additional time to pull such materials together for you. In any event and in light of the position you have expressed, we will hereafter ensure that advertising for the Jornada 700 series products conforms to the requirements of paragraph 11 of the Order.



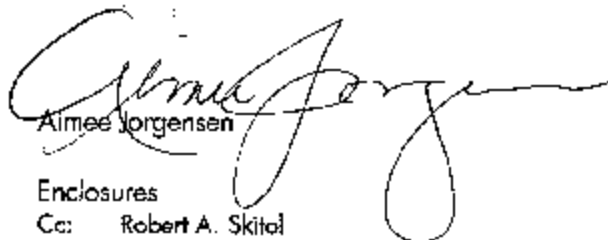
Hewlett-Packard Company  
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- (II.A.1.) You listed 4 ads as too difficult to read. Please find enclosed originals of the hp Jornada 520 and 540 series brochures(#1). I have emailed to you today the electronic file from which I printed the Staples Window Display ad picture of April 18, 2001(#2). Enclosed are clearer color copies of the Sears reseller ad of May 27, 2001 (#3) and the Office Depot ad of June 24, 2001 (#4).
- (II.B.1. and 2.) The Depot May 20, 2001 and Fry's June 1, 2001 ads. These were ads created by our resellers. I was informed within the last day or so that the Depot 5/20 ad has not run again and that the promotion to which these ads were connected was done by June 9, 2001. We are taking steps to better communicate to our resellers the requirements of the order, and we will monitor the reseller ads through the use of a clipping service.
- (II.B.3.) hp Jornada 525 and 548 Color Pocket PCs, comparing products. The \* leading to the footnote will be placed next to the Internet Explorer 5.0 will be made in future versions.

Laureen, I hope this response letter is helpful, and I will supply the remaining requested material as soon as I am able. I will keep you updated on the status of the process. Thank you for your understanding.

Very truly yours,

  
Aimee Jorgensen

Enclosures

Cc: Robert A. Skitol





to get that fix  
in your pocket

**over 100's of designs**

For desktop, web, print, and mobile, we have over 100's of designs for you to choose from. Each design is a unique combination of color and shape, designed to help you identify and track your brand's visual identity across all platforms.

After you're satisfied

**outstanding value  
color pocket pc**

The company you need  
to get the most out of your  
investment in color. We offer  
a wide range of products and  
services to help you achieve  
your goals. Our team of  
experts is ready to help you  
choose the right solution for  
your business.

work your own way  
with a variety of products  
and services. We offer a  
wide range of products and  
services to help you achieve  
your goals. Our team of  
experts is ready to help you  
choose the right solution for  
your business.



to get that fix  
in your pocket

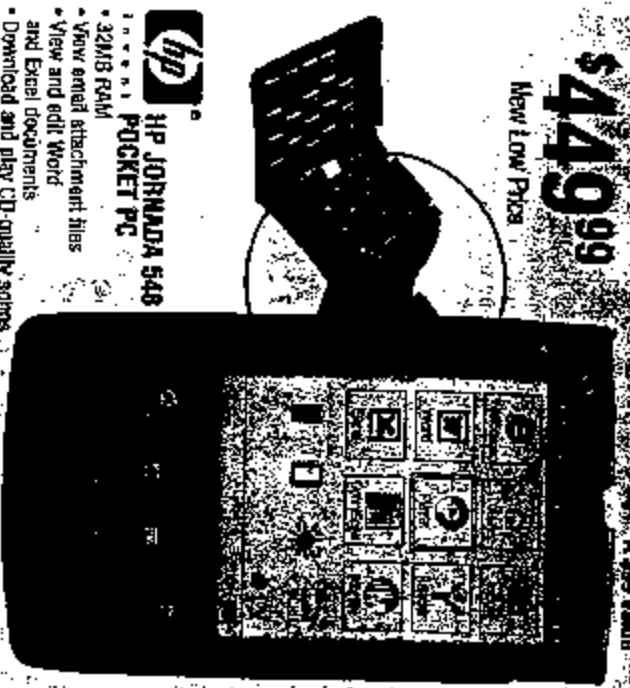
1/4"  1/2"  3/4"  1"  1 1/4"  1 1/2"  1 3/4"  2"  2 1/4"  2 1/2"  2 3/4"  3"  3 1/4"  3 1/2"  3 3/4"  4"





**\$449.99**

New Low Price



**hp**  
**HP JORNADA 548**  
**POCKET PC**

- 32MB RAM
- View email attachment files
- View and edit Word and Excel documents
- Download and play CD-quality songs
- Includes an earphone, back and microphone

**FREE Keyboard** with Jornada 548 Purchase

FREE Keyboard offer good with the purchase of the HP Jornada 548 (584-771). Present this coupon at time of purchase. Limit one coupon per customer. Quantities limited. Sorry, no transfers or substitutions. Valid in the U.S. only. Offer requires valid coupon redemption in store only.

077-1211 Coupon Code 584

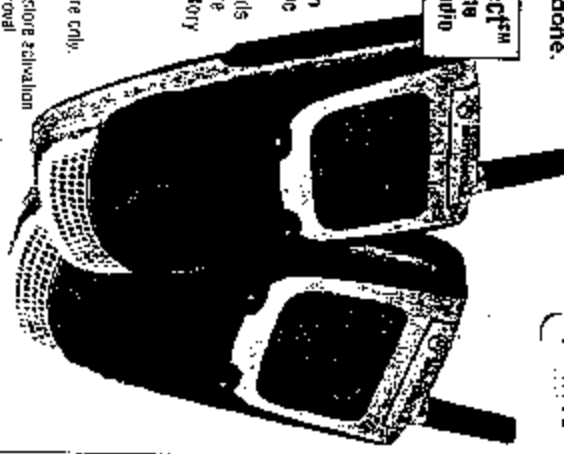
**Direct Connect™**  
 Turn Your Phone  
 Into A 2-Way Radio

**21000 plus**  
**TWIN PACK**

- Expandable functionality in a sleek lightweight package
- One-touch dialing
- Quikstore — instantly adds phone numbers and private IDs to your personal directory
- Missed call indicator

Silver: Pair 621-561  
**\$189.99\***

Wireless stores available in store only, at select locations.  
 \*Price shown may require in-store activation AND is subject to credit approval.



**NEXTEL TWIN RING PLAN**

Per Month	Cellular Minutes	Direct Connect™ Minutes	Choice One FREE option	Add-On Options	Cost per month per phone
\$89.99	600 (Shared)	400 (Shared)	• Night & Weekend Basic Nextel™ Online™ • Long Distance	• Unlimited Nextel 2-Way Messaging • Nextel Outlook™ Plus	\$5
\$89.99	800 (Shared)	400 (Shared)	• Long Distance	• Unlimited Night & Weekends	\$10

\*In-store activation may be required in select retail locations. This offer valid for new activations prior to June 30, 2001. Offer subject to 1-year agreement, activation fee, AND credit approval. Must choose the same free option for both phones. Offer restrictions apply. Offer expires 6/30/01. See store for details.

**MOTOROLA**  
**TalkAbout™**  
**16300 2-WAY RADIOS**  
 • Up to 2-mile range with signal-strength indicator  
 • 14 channels, 38 sub-channels  
 Black 573-561  
**\$99.99**



FREE Earbud AND Car Charger  
 By Mail With Purchase Of  
 Sprint PCS Touchpoint 2200

**Sprint**

Sprint PCS

The clear alternative to cellular.  
**TOUCHPOINT 2200**

- Dual Band
- Voice memo
- Voice activated dialing
- Personal Info Manager
- 17-to-100 items, calculator, clock repeating events and more
- Includes lithium-ion battery and desktop charger with AC adapter

851-541 **\$49.99\*\***

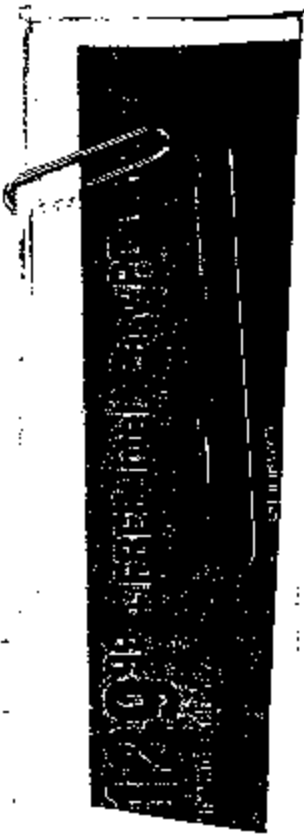
After \$100 Mail-In Rebate

149.99 - 100.00 Mail-In Rebate = 49.99

\*\*Price shown requires a \$34.99 Non-Refundable activation fee AND is subject to credit approval.

ZA 3-V1 3-V1

3



DEPART  
 WEEK OF  
 5/29/01





# Solutions for your active life

• Handhelds • Accessories • Software



handspring

**HANDSPRING VISOR™ DELUXE HANDHELD ORGANIZER**  
It's more than a personal organizer. Insert a module in its Springboard™ expansion slot and turn your Visor into a digital camera, GPS and much more! With 2MB of memory, you can store up to 7,000 addresses, 10 years of appointments, 400 e-mail messages and more.  
(1001 E 10037/10091)

**PRICE DROP**  
**199<sup>99</sup>**  
Each  
After Price Drop

Modules sold separately; availability may vary.

## Word processing on the go

with a **FREE TARGUS PDA KEYBOARD**

A \$99 Value

Instantly, with purchase of the Jornada 548 Pocket PC.

### JORNADA 548 POCKET PC

32MB of memory and a vivid LCD color screen make this a perfect companion for anyone on the go. Review Word and Excel documents, listen to digital audio, record voice notes and read e-books with this powerful pocket-sized companion. Rechargeable LiIon battery. (548)



**449<sup>99</sup>**



Word, Excel & Other Files On Your Palm Handheld. Instantly.

Software for PDAs



**19<sup>99</sup>**

WIRELESS  
photo capture  
20 - 20 Sales to

Best Buy  
May 6, 2001

## Do more with

**FREE \$50 BEST BUY GIFT CARD**

instantly, with purchase of any **Corel WordPerfect Office 2002** software.  
Good toward future in-store purchases.



ALSO AVAILABLE: **COREL WORDPERFECT OFFICE 2002 STANDARD UPGRADE... 149<sup>99</sup>**



32.99 - 15% Rebate = 24.99  
ALSO AVAILABLE: HALLMARK CARD STUDIO 2 STANDARD... 24.99 - 10 Mail-In Rebate = 14.99



29.99 - 10% Rebate = 19.99  
ALSO AVAILABLE: WINDOWS® 98 2ND EDITION... 169<sup>99</sup>



with purchase of Easy CD Creator 5  
Minimum \$10 per store. No rainchecks.  
59<sup>99</sup>  
After Mail-In Rebate  
49.99 - 20 Rebate = 29.99



ALSO AVAILABLE: WINDOWS® 98 2ND EDITION... 169<sup>99</sup>

# SAVE

## COMPUTER CREATION STATION

Build it for how you work & play



**1679<sup>99</sup>**  
After Mail-In Rebate  
Best Buy Rebate  
FREE 1 Year MSRP



**COMPAQ**

**PENTIUM® 4 PROCESSOR 1.3GHz (1300MHz) COMPUTER WITH 17" COMPAQ MONITOR**  
(16" viewable image size, 28 dot pitch)

- 128MB PC800 SDRAM memory
- 60.0 gigabyte 7200 RPM hard drive
- 16X max DVD-ROM drive
- 8X max CD-RW drive
- Soundblaster Live! audio card
- 32MB GeForce2 MX graphics card with TV-out
- 10/100 network card
- IEEE1394 interface (digital connections)
- JBL Platinum speaker with subwoofer
- (7001/41735/11400)

**\$150 TOTAL SAVINGS** 1829.99 - \$150 Best Buy Mail-In Rebate = 1679.99 (Shipping not included.)

The **Compaq U-600 printer** included with this package for **\$1** Value. Available with any Computer Creation Station Compaq 7000 series computer.

**Upgrade to a Pentium® 4 processor 1.4GHz (1400MHz) computer for \$79**

\*With purchase of qualifying desktop or notebook computers only. Excludes BestBuy.com purchases. After 30-day period, current price for MSN Standard Internet Access (as of 2/7/01, \$1.95/mo.) automatically will be charged to your credit card until you select another MSN plan or cancel your account. Long distance phone charges may apply. May not be combined with any other MSN Internet Access promotion. See inside back cover for details.



ES  
s.com

# celebrate!

15<sup>TH</sup>  
ANNIVERSARY

\$100 off any Pocket PC

STAPLES

**FREE\* OmniSky modem**

**49<sup>98</sup>**

all-in rebate  
**E \$50**

**HANDSPRING™ VISO R™ PLATINUM**  
• Twice as fast as the Visor Deluxe  
• 8MB memory  
• Palm™ OS v3.5  
• Runs on two AAA batteries (included)  
SKU 447506

OmniSky monthly fees for as low as 28.95/mo!

**FREE\***

all-in rebate  
**E \$299**

**OMNISKY MINSTREL S WIRELESS MODEM**  
• Send email, check stocks, news, sports, traffic and more  
• \$299.98 if not activated  
SKU 449289

Customer must purchase and activate by June 30, 2001. Annual service plan. Then process your rebate. Please refer June 30, 2001. Service coverage available in US. Visit [www.omnisky.com](http://www.omnisky.com) for details regarding coverage.

**\$99<sup>94</sup>**

after mail-in rebate

**SAVE \$50**

**TARGUS™ POCKET PC MODEM**

• Reg. Price \$149.98  
• \$129.94 - \$30 mfr. mail-in rebate = \$99.94  
SKU 452539

Limit 1 per customer.

Instantly

**\$449<sup>98</sup>**

Before instant savings  
**SAVE \$100**

**HP JORNADA 549 POCKET PC**  
• 32MB RAM, 133MHz processor  
• Check email and surf the Web  
• Listen to music or read  
• Expand with built-in CompactFlash slot  
• USB cradle included  
SKU 441716

**\$359<sup>98</sup>**

Before instant savings  
**SAVE \$100**

**HP JORNADA 525 POCKET PC**  
• 16MB RAM  
• 133MHz processor  
SKU 468459

Limit 1 of each per customer.

**FREE software instantly with purchase of any Palm™**



**Data Backer 500 Essential Programs.** Gives you 500 programs in the palm of your hand, including office and business tools, reference guides, tools and utilities, travel resources and more. SKU: 444057



**Learn 2 Palm Organizer Training.** Inexpensive training on CD helps you get the most from your organizer. SKU 447512.



Palm™



**\$59<sup>98</sup>**

**RAND MCNALLY STREETFINDER™ DELUXE 2000 WITH GPS FOR THE PALM™ UI**

• Plan your trip, customize maps  
SKU 431520

QJ  
JA  
Rand McNally StreetFinder™ Deluxe 2000 for the Palm™ V. SKU 439212. \$79.98.



**95**

Kodak

in rebate  
**\$20**

SA

**\$39<sup>98</sup> Fellowes.**

**FELLOWES KEYBOARD**  
• Smallest keyboard for the Palm™ III, IV and VII series  
SKU 461104

Palm™ sold separately

9.98.

**FREE Palm™ accessories instantly**

with purchase of this Palm™ VX. A \$69 value.

**8MB Memory Backup for Palm™ VX.** SKU 452437. \$49.98 if purchased separately.



**Body Glow Datasuit for Palm™ V.** SKU 341735. \$19.98 if purchased separately.

Plus tax where applicable. Limit 1 per customer. Available in store only.

**\$299<sup>98</sup>**

**PALM™ VX CONNECTED ORGANIZER**

• 8MB memory  
• Lithium rechargeable battery  
• Ultra-thin, lightweight  
SKU 294059

**FREE CardScan 500**

with purchase of this Palm™ M505. A \$159.98 value.



**A \$159.98 value**

**CARDSCAN 500 EXECUT BUSINESS CARD SCANNER**  
• \$159.98 - \$150 mail-in rebate = FREE  
SKU 356732

**NEW!**

**SOFTWARE Included in box**



**\$449<sup>98</sup>**

**PALM M505 HANDHELD ORGANIZER**

• Expansion card slot and universal connector let you add content, storage and data backup solutions, wireless modems, GPS receivers, digital cameras and more  
• Color screen with over 65K colors  
• Comes with USB sync cradle  
• 8MB memory, 4MB flash ROM  
• Palm OS 4.0  
• Silent alarm features - vibration mode or LED lights  
• Includes Mobile Internet Connectivity software  
SKU 457059

Limit 1 per customer. Plus tax where applicable.



STA

STAPLES  
MAY 20, 2001

# Graduation

# Sale

Fry's  
June 1, 2001

# Event!



## EMPAQ

## POCKET

Capacity  
Memory  
STN  
Word,  
Internet Explorer &  
MP3  
Included  
Lithium  
Battery



Empaq.com

### JORNADA 548 POCKET PC

- 32MB RAM Storage Capacity
- 16MB ROM
- Pocket PC OS
- Hitachi SH3 133MHz Processor
- 240x320 TFT Color Display
- Built-in microphone & speaker
- IRDA
- Pocket Excel, Word, Money, Internet Explorer & Windows Media Player (MP3)
- USB Connection
- Docking Station Included
- Rechargeable Li-Ion Battery



**FREE**  
TARGUS KEYBOARD  
WITH PURCHASE!  
(A \$99 VALUE)

\*See a Sales Associate  
For Assistance.  
Limit 1 Per Customer

**\$449**

A3006009

**LOW PRICE  
GUARANTEED!**



**SONY**  
12x8x32x  
CD-RW DRIVE

**\$179** In-Store  
Price  
**-30** Mail-In  
Rebate

- 12x Max Write
- 8x Max Re-Write
- 32x Max Read Speed
- Sony Bundled Software

**\$149** Price  
After  
Mail-In  
Rebate

Limit 1 Per Customer  
#2844364



4x4x6x  
**USB SLIM  
CD-RW DRIVE**

- 4x Max Write
- 4x Max Re-Write
- 4x Max Read Speed
- USB Compact
- SLIM Portable Size

Limit 1 Per Customer  
#2587805

**\$149**

**CREATIVE**

**299**

**Intel**  
**POCKET  
CONCERT**



**MODEM  
BLASTER  
56K\* PCI  
WITH VOICE MAIL**

## comparing products\*

## software features

525 548

### Multi-in software

Microsoft® Windows® for Pocket PC	yes	yes
Microsoft® Pocket Outlook (for date planners, tasks, contacts and e-mail)	yes	yes
Microsoft Pocket Internet Explorer (browse Web pages, AvantGo™ Mobile Channels, Mobile Favorites Synchronization, Microsoft Mobile Channels)**	yes	yes
Microsoft Pocket Word (view and edit Word documents)	yes	yes
Microsoft Pocket Excel (view and edit Excel documents)	yes	yes
Microsoft Money for Pocket PC (manage your stocks and checking account)		yes
Microsoft Reader (read electronic books)	yes	yes
Microsoft Window Media™ Player (enjoy digital music)	yes	yes
LandWare™ ComiSolv™ 1.01 (do financial calculations)	yes	yes
Notes Taker	yes	yes
Voice Recorder	yes	yes
Calculator	yes	yes
Salivite	yes	yes
File Explorer	yes	yes

\* Differences between the models are highlighted in red.  
 \*\* Windows Mobile user requires a separately purchased iridium. Contact charges may apply. Check wireless service availability in your area. Some Web site content may be unavailable.

### Software included on CD-ROM

Microsoft Active Sync 3.1 (synchronize files with your desktop PC)	yes	yes
Microsoft Outlook 2000 (full retail desktop and pocket versions)	yes	yes
Microsoft Pocket Money (manage your stocks and checking account)	yes	
Microsoft Pocket Streets (sample U.S. maps)	yes	yes
Microsoft Transcriber (handwritten recognition software (early recognition of mixed handwriting—cursor, printed or mixed))	yes	yes
Microsoft Media Manager	yes	yes
Microsoft Reader (read electronic books)	yes	yes
Internet Explorer 5.0 (desktop version)	yes	
AOL Mail™ SM 1.0 (send and receive AOL e-mail)** (send and receive AOL e-mail)**		yes
Yahoo! Messenger (send instant messages to online friends; check news, stock price and more)**	yes	
MusicMatch Jukebox (review, organize, and play digital music)	yes	yes
Sierra Imaging, Inc. Image Expert™ CE 2.0 (view, edit, and share digital images)		yes
EMusic.com™ (free sample digital music tracks)	yes	yes
AudiblePlayer™ 2.0 for Windows for Pocket PC and AudibleManager™ (listen to computer best-selling audiobooks, newspapers, magazines and more)	yes	yes
PhatWare™ HPCLites™ 3.03 Lite Edition (create and organize notes)	yes	yes
HP JetSend for Windows for Pocket PC 2.0 (exchange information with digital cameras, printers and more)		yes
ZIO Interactive, Inc. ZIOGolf™ (play realistic 3D golf)		yes
ZIO Interactive, Inc. Bubble Blaster	yes	
ZIO Interactive, Inc. FunZlink	yes	
EZOS-EZ WAP	yes	yes



hp & me

- search
- contact hp
  
- buy online from hp
- other ways to buy
  
- home and home office

**pocket power**

When you add an hp jornada color pocket PC to your home computing solution, you'll wonder how you ever got stuff accomplished without one.

- It's designed to easily synchronize with your desktop PC
- You carry pocket PC versions of Microsoft® Outlook, Microsoft® Word, Microsoft® Excel, Windows® Media™ Player and more.
- When you connect with an optional wireless modem, you have convenient access to the Web and email.\*\*
- The Quick Launch Keys are programmable, so you can launch your applications with a simple push of a button.



- printable coupon
- back to top secret
- rebate status ch

**Purchases must be made between 7/11/01-8/10/01.**

hp jornada

- other ways
- buy online



→ **hp jornada 525 pocket PC - \$329.00\***

- You save \$30 when you purchase the hp jornada 525 pocket PC.
- 16MB of memory and an 8-hour Lithium Ion battery.
- Edit Microsoft® Word documents or Microsoft® Excel spreadsheets using pocket version of these programs.
- While listening to your favorite MP3s, you can edit documents and spreadsheets as well as update your calendar or read an e-book.
- It easily syncs up with your desktop PC or laptop via serial cable.
- Compatible with Minstrel 540 wireless modem.
- Lightweight and affordable.



→ **Minstrel 540 wireless modem - \$149.00\***

- You get \$100 off from hp. Get an additional \$100 off with a 6-month OmniSky or 12-month GoAmerica service subscription.\*\*
- It securely connects your hp jornada 548 or 525 pocket PC to the Web at speeds up to 19.2K.
- Sleek and ergonomic, it only adds 3oz. to your pocket PC solution.
- The rechargeable internal battery can be charged simultaneously with your hp jornada 540 or 525 series jornada pocket