UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of	)	
SHARP ELECTRONICS CORP., a corporation.	)	DOCKET NO.

COMPLAINT

The Federal Trade Commission, having reason to believe that Sharp Electronics Corp., a corporation, ("respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Sharp Electronics Corp. is a New York corporation with its principal office or place of business at Sharp Plaza, Mahwah, New Jersey 07430-2135.

2. Respondent has advertised, labeled, offered for sale, sold, and distributed consumer electronics products to the public, including the "Mobilon" line of hand-held personal computers ("HPCs"). Sharp's Mobilon HPCs, as well as similar devices from several other manufacturers, use the Microsoft Windows CE operating system. This operating system and several applications, including a word processor, a spreadsheet, and a database, are installed on these devices' ROM board. HPCs are designed to be upgradeable to newer versions of the operating system and/or applications through the purchase and installation of a new ROM board.

3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

4. Respondent has disseminated or have caused to be disseminated advertisements for Mobilon hand-held personal computers, including but not necessarily limited to the attached Exhibits A through C. These advertisements contain the following statements and depictions:

A. "HC-4100 Specifications

. . .

ROM	Upgradeable

(Exhibit A, brochure for Model HC-4100)

B. "HC-4600 Specifications

. . .

ROM	Upgradeable

(Exhibit B, brochure for Model HC-4600)

C. "Comparison Chart

Specifications:	HC-4100	HC-4500	HC-4600

. . .

ROM	Upgradeable"

(Exhibit C, World Wide Web ad)

5. Through the means described in Paragraph 4, respondent has represented, expressly or by implication, that it would offer to its Mobilon customers an upgrade to a later version of the Microsoft Windows CE operating system when such a later version became available.

6. In truth and in fact, respondent never offered to its Mobilon customers an upgrade to a later version of the Microsoft Windows CE operating system when such a later version became available. Further, respondent continued to represent that its Mobilon HPCs were upgradeable for several months after deciding not to offer an upgrade. Therefore, the representation set forth in Paragraph 5 was, and is, false or misleading.

7. The acts and practices of respondents as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this day of , , has issued this complaint against respondents.

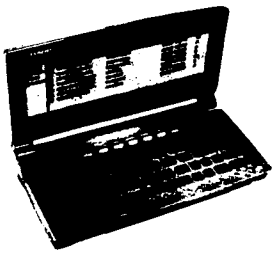
By the Commission.

Donald S. Clark
Secretary

SEAL:

HC-4100

Information. Mobility. Power.



mobilon

- High-Contrast LCD Display
- Easy Type™ Keyboard
- Built-in 33.6 Kbps Modem
- One-Touch™ Application Keys
- Voice Recorder
- Internet Access
- Microsoft® Windows® CE 2.0
- Image Editor
- IntelliMigrate™ (data transfer)
- Color Digital Camera Card (optional)

SHARP

EXHIBIT A

HC-4100 Specifications

PROCESSOR	MIPS RISC Processor	
MEMORY	12MB	
ROM	Upgradeable	
DISPLAY	6.5" High-Contrast LCD Touch Screen with Backlight (viewable area measured diagonally) • Colors: 16 Grayscale • Resolution: 640 x 240 • Type: DFSTN • Contrast control: Keyboard	
KEYBOARD	64 Keys + 7 One Touch™ Application Keys	
PC CARD SLOT	1 Type II	
DATA FAX MODEM	Low power consumption. 33.6Kbps (data), 9.6Kbps (fax)	
AUDIO	WAV file compatible with microphone, speaker, and external record button	
EXPANSION PORTS	• Serial Port • PC Link • Printing	• IR Port - IrDA 1.1 (115.2Kbps) compliant • PC Link • Printing • Unit-to-Unit Data Transfer (to H/PCs and Sharp Zaurus)
INDICATORS	Notification LED • Calendar and Task Reminders • World Clock Daily Alarms • Charging Battery (when using NiMH Rechargeable Battery Pack and AC Adaptor) • Modem Active • Recording Voice memos	
SOFTWARE (for H/PC)	• Microsoft® Windows® CE 2.0 • Microsoft Handheld PC Applications • Microsoft Pocket Word • Microsoft Pocket Excel • Microsoft Pocket Outlook® (Calendar, Contacts, Tasks, Inbox) • Microsoft Pocket PowerPoint • Microsoft Pocket Internet Explorer • Accessories (Calculator, World Clock, Terminal, Solitaire) • Voice Recorder • Image Editor • Sharp Zaurus Unit-to-Unit IR Data Transfer • bFax™ Express	
SOFTWARE (for PC)	• Microsoft Windows CE Services (Microsoft Office 95 and 97 Data Transfer and Synchronization) • IntelliMigrate™ (transfers data from Sharp Zaurus/Wizard/Electronic Organizers to Mobilon - ZR, OZ, YO-600 series, and ZQ-5000/5200 models) • Microsoft® Schedule+ 7.0a	
ACCESSORIES (included)	• 2 x AA Alkaline Batteries • 1 x CR2032 Lithium Battery • PC Link cable (9-pin)	• RJ-11 Modular Phone Cable • Stylus
POWER	• Operating: 2 x AA Alkaline (included) • Memory Backup: 1 x CR2032 Lithium (included)	
BATTERY LIFE	25 hours (typical use; 4 hours with continuous modem use)	
DIMENSIONS	7.3" x 3.7" x 1.0" (186mm x 93.6mm x 26.4mm)	
WEIGHT	14.5 oz (410g)	
OPTIONS	• HC-DS01 Docking Station Kit (Docking Station, NiMH Rechargeable Battery Pack, AC Adaptor) • HC-BN01 NiMH Rechargeable Battery Pack • CE-AG04 Color Digital Camera Card • Resolution: 640 x 480 • Colors: 16.7 million • Zoom: 4x (2x Optical, 2x Digital)	
WARRANTY	1 year parts and labor limited warranty	

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SHARP.
FROM SHARP MINDS COME SHARP PRODUCTS™

SHARP ELECTRONICS CORPORATION
Sharp Plaza, Mahwah, NJ 07430-2135
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or visit us on the World Wide Web at http://www.sharp-usa.com
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LCD

BackLight

PC-4600

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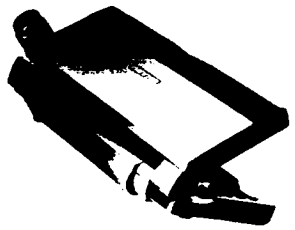

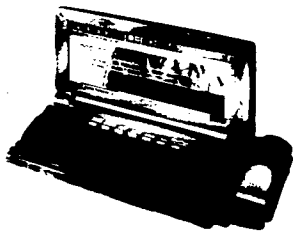

Unit Shown with Optional Color Digital Camera Card

mobilon™

- High-Contrast Color LCD Display
- Built-in 33.6 Kbps Modem
- PC File Viewer Software
- One-Touch™ Application Keys
- Voice Recorder
- Internet Access
- Image Editor
- PhotoLink
- bFax™ Pro Software
- IntelliMigrate™ (data transfer)
- Citrix® ICA® Thin Client
- Microsoft® Windows® CE 2.0
- Color Digital Camera Card (optional)

SHARP®

EXHIBIT B

HC-4600 Specifications

PROCESSOR	MIPS RISC Processor
MEMORY	16MB EDO RAM Internally Expandable to 32MB
ROM	Upgradeable
DISPLAY	6.5" High-Contrast LCD Touch Screen with Backlight (viewable area measured diagonally) • Colors: 256 • Resolution: 640 x 240 • Type: Color STN • Contrast Control: Keyboard
KEYBOARD	64 Keys + 7 One Touch™ Application Keys
PC CARD SLOT	Type II
DATA FAX MODEM	Low power consumption; 33.6 Kbps (data), 9.6 Kbps (fax)
AUDIO	.WAV file compatible with microphone, speaker, and external record button
EXPANSION PORTS	Serial Port • PC Link • Printing IR Port - IrDA 1.1 (115.2 Kbps) compliant • PC Link • Printing • Unit-to-Unit Data Transfer (to H/PCs and Sharp Zaurus)
INDICATORS	Notification LED • Calendar and Task Reminders • World Clock Daily Alarms • Charging Battery • Modem Active • Recording Voice memos
SOFTWARE (for H/PC)	• Microsoft® Windows® CE 2.0 • Microsoft Handheld PC Applications • Microsoft Pocket Word • Microsoft Pocket Excel • Microsoft Pocket Outlook™ (Calendar, Contacts, Tasks, Inbox) • Microsoft Pocket PowerPoint • Microsoft Pocket Internet Explorer • Accessories (Calculator, World Clock, Terminal, Solitaire) • Voice Recorder • PC File Viewer - views common PC files on Mobilon. Types include: MS Word, WordPerfect, MS Excel, Lotus 1-2-3, Quattro Pro, MS Access, dBase, BMP, GIF, JPG, TIFF, and EPS • PhotoLink - integrates CE-AG04 Color Digital Camera Card and images from other sources with Contacts • Image Editor • Automatic image correction • Create MPEG movies • Annotation, drawing, and image manipulation tools • Slide Show • Citrix ICA client - thin-client for Citrix WinFrame® and Microsoft Windows Terminal Server (with Citrix MetaFrame®) users • Sharp Zaurus Unit-to-Unit IR Data Transfer • bFax™ Pro - send and receive faxes, fax from applications that support printing
SOFTWARE (for PC)	• Microsoft Windows CE Services 2.1 (Microsoft® Office 95 and 97 Data Transfer and Synchronization, including Outlook™ 98) • IntelliMigrate™ (transfers data from Sharp Zaurus/Wizard/Electronic Organizers to Mobilon. ZR, OZ, YO-600 series, and ZQ-5000/5200 models supported.) • Microsoft Schedule+ 7.0a
ACCESSORIES (INCLUDED)	• NiMH Rechargeable Battery Pack • Stylus • 1 x CR2032 Lithium Battery • RJ-11 Modular Phone Cable • AC Adapter • PC Link cable (9-pin)
BATTERY	• Operating: NiMH Rechargeable Battery Pack (included) • Memory Backup: 1 x CR2032 Lithium (included)
BATTERY LIFE	• Up to 5 hrs. (approx.) • Using Modem: 2.5 hr. with continuous fax sending, 1 hr. with continuous data downloading (approx.)
DIMENSIONS (w x d x h)	7.3" x 3.8" x 1.2" (186mm x 96.5mm x 29.6mm)
WEIGHT	17.5 oz (495g)
OPTIONS	• HC-DS01 Docking Station Kit (Docking Station, NiMH Rechargeable Battery Pack, AC Adapter) • HC-BN01 NiMH Rechargeable Battery Pack • CE-AG04 Color Digital Camera Card • HC-SM02 16MB EDO Memory Upgrade Module
WARRANTY	1 year parts and labor limited warranty

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SHARP ELECTRONICS CORPORATION
Sharp Plaza, Mahwah, NJ 07430-2135
Visit us on the World Wide Web at **www.sharp-usa.com**
or for more information: Call 1-800-BE-SHARP
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LCD

BackLight

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- Product Information
- Windows® CE
- Color Digital Camera Card Demo
- News & Reviews
- Software & Support
- Corporate Sales
- Dealer Locator

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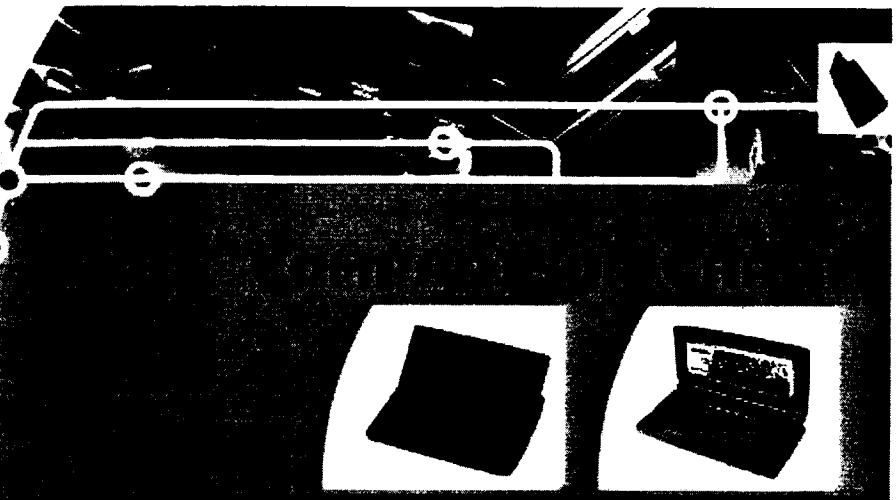

Specifications:	HC-4100	HC-4500	HC-4600
Memory	12MB	16MB	16MB Upgradeable to 32MB
ROM	Upgradeable		
Display (measured diagonally)	6.5" High Contrast 16 Grayscale LCD Touch Screen with Backlight	6.5" High Contrast Color LCD Touch Screen with Backlight	6.5" High Contrast Color LCD Touch Screen with Backlight
Keyboard	64 Keys + One-Touch™ Application Key		64 Keys + 7 One-Touch™ Application Keys
Modem	33.6/9.6Kbps Data/Fax Modem Low power consumption		
Voice Recorder	Microphone, speaker and external record button		
Shortcut Keys	One Touch Access to 7 Applications		
PC Card Slot	1 Type II slot		
Camera Card Support	Supports Color Digital Camera Card (optional)		

EXHIBIT C