IN THE MATTER OF

GIANT TELEVISION COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-1512. Complaint, Apr. 3, 1969—Decision, Apr. 3, 1969

Consent order requiring a Washington, D.C., retailer of TV sets and other small appliances to cease falsely advertising the terms of its credit sales, failing to deliver copies of sales contracts to their customers and failing to disclose that such contracts might be sold to a finance company.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Giant Television Company, Inc., a corporation, and James A. Taylor, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Giant Television Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its principal office and place of business located at 4019 South Capitol Street, SW., in the city of Washington, District of Columbia.

Respondent James A. Taylor is an individual and an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of television sets, radios, stereos, radio/television/stereo combinations or other articles of merchandise to the public at retail.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said merchandise, when sold, to be shipped from their place

of business in the District of Columbia to purchasers thereof located in various States of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the conduct of their aforesaid business, and for the purpose of inducing the purchase of their merchandise, the respondents have represented in advertisements inserted in newspapers of general interstate circulation that purchasers of respondents' merchandise can purchase such merchandise by making nominal weekly credit or installment payments, such as, $1.75 per week.

PAR. 5. In truth and in fact, it is not respondents' practice to permit purchasers of their merchandise to purchase such merchandise by making the aforesaid nominal weekly credit or installment payments.

Therefore, the representation set forth in Paragraph Four above is false, misleading and deceptive.

PAR. 6. In the course and conduct of their business, and in furtherance of a deceptive sales program for inducing the purchase of their merchandise, respondents have engaged in and are now engaging in the following unfair and deceptive acts and practices:

1. Respondents have secured the signatures of purchasers of respondents' merchandise on conditional sale contracts which state only the number of installment payments and the amount to be paid at each installment. Said purchasers are not informed of the total amount of indebtedness incurred by purchasing said merchandise on credit.

2. Respondents have failed to disclose to the purchasers of their merchandise the material fact that the conditional sale contracts executed by said purchasers may, at the option of respondents, be negotiated or assigned to a finance company to which the purchaser will be indebted.

3. Respondents have failed to supply certain purchasers with a copy of the executed conditional sale contract at the time of consummation of the sale.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of television sets, radios, stereos, radio/television/

stereo combinations or other articles of merchandise of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive representations, acts and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said representations were and are true and into the purchase of substantial quantities of respondents' merchandise by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes

the following jurisdictional findings, and enters the following order:

1. Respondent Giant Television Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its office and principal place of business located at 4019 South Capitol Street, SW., in the city of Washington, District of Columbia.

Respondent James A. Taylor is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Giant Television Company, Inc., a corporation, and its officers, and James A. Taylor, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of television sets, radios, stereos, radio/television/stereo combinations or other articles of merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that a specific periodic consumer credit amount or installment amount can be arranged unless the respondents usually and customarily arrange credit payments or installments for that period and in that amount.

2. Failing or refusing to disclose the exact amount of the total purchase price of merchandise, including all interest, credit or service charges, at the time the contract for the sale of such merchandise is executed by the purchaser or purchasers.

3. Failing to orally disclose prior to the time of sale, and in writing on any conditional sale contract, or other instrument of indebtedness executed by a purchaser, and with such conspicuousness and clarity as is likely to be observed and read by such purchaser, that:

> Any such instrument, at respondents' option and without notice to the purchaser, may be discounted, negotiated or assigned to a finance company or other third party to which the purchaser will thereafter be

indebted and against which the purchaser's claims or defenses may not be available.

4. Failing or refusing to supply purchasers of respondents' merchandise with a copy of the executed conditional sale contract or other agreement at the time of execution by the purchaser.

5. Failing to deliver a copy of this order to cease and desist to all present and future employees engaged in the promotion and sale of respondents' merchandise or services, and failing to secure from each such employee a signed statement acknowledging receipt of said order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

GAIETY SPORTSWEAR, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1513. Complaint, Apr. 3, 1969—Decision, Apr. 3, 1969

Consent order requiring a New York City manufacturer of ladies' apparel to cease misbranding its textile fiber products and failing to maintain required records.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Gaiety Sportswear, Inc., a corporation, and Eugene Zachary, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the

Rules and Regulations promulgated under the Textile Fiber Products Identification Act, and it now appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Gaiety Sportswear, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 130–29 180th Street, Queens, New York.

Individual respondent Eugene Zachary is an officer of said corporate respondent. He formulates, directs and controls the acts, practices and policies of said corporate respondent, including the acts and practices hereinafter referred to. The office and principal place of business of said individual respondent is 130–29 180th Street, Queens, New York.

Respondents are engaged in the manufacture and sale of ladies' apparel.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by the respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products (fabric) with labels which set forth the fiber content as 64% Acetate 29% Cotton 7% Rub-

ber whereas, in truth and in fact, the said fabric contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of such textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which failed:

1. To disclose the true generic names of the fibers present; and
2. To disclose the true percentage of such fibers.

PAR. 5. Respondents have failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 6. The acts and practices of the respondents as set forth above were and are in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair and deceptive acts and practices, and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and

does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Gaiety Sportswear, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 130–29 180th Street, Queens, New York.

Respondent Eugene Zachary is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Gaiety Sportswear, Inc., a corporation, and its officers, and Eugene Zachary, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale in commerce, or the importation into the United States of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber product, which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, after shipment in commerce of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products as to the name of amount of the constituent fibers contained therein.

2. Failing to affix a stamp, tag, label or other means of identification to each such product showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

B. Failing to maintain and preserve for at least three years proper records showing the fiber content of textile fiber products manufactured by them, as required by Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

GBM CORPORATION TRADING AS U.S. CONSTRUCTION CO., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-1514. Complaint, Apr. 3, 1969—Decision, Apr. 3, 1969

Consent order requiring a Rockford, Ill., home improvement corporation to cease falsely representing that prospects' homes are specially selected, that they will be used as model homes, that purchasers are granted special reduced prices, and that the firm is affiliated with the United States Steel Company.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the

Federal Trade Commission, having reason to believe that GBM Corporation, a corporation, trading and doing business as U.S. Construction Co., and Jesse D. Gregg and Del L. Young, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent GBM Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 1603 Seventh Street, Rockford, Illinois. The aforesaid company was originally incorporated and did business at the above address as G & M Siding and Roofing Company. In the course and conduct of its business, hereinafter set forth, GBM Corporation has also used the trade name of U.S. Construction Co.

Respondents Jesse D. Gregg and Del L. Young are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of residential aluminum and steel siding products to the general public and in the installation thereof.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of Illinois to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business and for the purpose of inducing the purchase of their products, respondents and their salesmen or representatives have represented, and now represent, directly or by implication, in advertising and promotional material and in oral solicitations to prospective purchasers, that:

1. Homes of prospective purchasers have been specially selected as model homes for the installation of the respondents'

products; that after installation such homes will be used for demonstration and advertising purposes by respondents; and, that as a result of allowing their homes to be used as models, purchasers will be granted reduced prices or will receive allowances, discounts or commissions.

2. Respondents' products are being offered for sale at special or reduced prices, and that savings are thereby afforded purchasers from respondents' regular selling prices.

3. Respondents or their salesmen are connected or affiliated with the United States Steel Company.

4. Respondents' siding materials and installations are "guaranteed" thereby representing that said products are unconditionally guaranteed in every respect for an unlimited period of time.

PAR. 5. In truth and in fact:

1. Homes of prospective purchasers are not specially selected as model homes for the installation of respondents' products; after installations such homes are not used for demonstration and advertising purposes by respondents; and purchasers as a result of allowing or agreeing to allow their homes to be used as models are not granted reduced prices nor do they receive allowances, discounts or commissions.

2. Respondents' products are not being offered for sale at special or reduced prices, and savings are not thereby afforded respondents' customers because of a reduction from respondents' regular selling prices. In fact, respondents do not have a regular selling price but the prices at which respondents' said products are sold vary from customer to customer depending on the resistance of the prospective purchasers.

3. Neither respondents nor their salesmen are connected or affiliated with the United States Steel Company.

4. Respondents' siding materials and installations are not unconditionally guaranteed in every respect without condition or limitation for an unlimited period of time or for any other period of time. Such guarantee as may be provided is subject to numerous terms, conditions and limitations, and fails to set forth the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder. Furthermore, in a substantial number of cases, respondents or their salesmen fail to furnish any written guarantee to the customer.

Therefore, the statements and representations as set forth in

Paragraph Four hereof were and are false, misleading and deceptive.

PAR. 6. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale of steel and aluminum residential siding and other products of the same general kind and nature as that sold by respondents.

PAR. 7. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue

stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent GBM Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 1603 Seventh Street, Rockford, Illinois.

Respondents Jesse D. Gregg and Del L. Young are officers of said corporation and their address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents GBM Corporation, a corporation, trading and doing business as U.S. Construction Co., or under any other name or names, and its officers, and Jesse D. Gregg and Del L. Young, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale, distribution or installation of residential aluminum or steel siding or other home improvement products or services, or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that the home of any of respondents' customers or prospective customers has been selected to be used or will be used as a model home, or otherwise, for advertising purposes.

2. Representing, directly or by implication, that any reduced price, allowance, discount, commission or other compensation is granted by respondents to purchasers in return for permitting or agreeing to allow the premises on which respondents' products are installed to be used for model homes or demonstration purposes.

3. Representing, directly or by implication, that any price for respondents' products is a special or reduced price, unless

such price constitutes a significant reduction from an established selling price at which such products have been sold in substantial quantities by respondents in the recent regular course of their business; or misrepresenting, in any manner, the savings available to purchasers.

4. Representing, directly or by implication, that respondents or their salesmen are connected or affiliated with the United States Steel Company; or misrepresenting in any manner, the identity of the manufacturer or the source of any of respondents' products or the business connections or affiliations of respondents or their salesmen.

5. Representing, directly or by implication, that any of respondents' products are guaranteed, unless the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed; or making any direct or implied representation that any of respondents' products are guaranteed unless in each instance a written guarantee is given to the purchaser containing provisions fully equivalent to those contained in such representations.

6. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondents' products or services, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

MONIQUE FUR CORP., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C–1515. Complaint, Apr. 3, 1969—Decision, Apr. 3, 1969

Consent order requiring a New York City manufacturing furrier to cease

misbranding and falsely invoicing its fur products and furnishing deceptive guaranties.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Monique Fur Corp., a corporation, and Max Soroka, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Monique Fur Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Max Soroka is an officer of the said corporate respondent. He formulates, directs and controls the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 236 West 26th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Section 4(1) of the Fur Products Labeling Act.

PAR. 4. Certain of said fur products were misbranded in that

they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur products was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau

of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Monique Fur Corp. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 236 West 26th Street, New York, New York.

Respondent Max Soroka is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Monique Fur Corp., a corporation, and its officers, and Max Soroka, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or

distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing, directly or by implication, on a label that the fur contained in such fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Representing, directly or by implication, on an invoice that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Monique Fur Corp., a corporation, and its officers, and Max Soroka, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

CAREER ORIGINALS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION, THE TEXTILE FIBER PRODUCTS IDENTIFICATION AND THE FUR PRODUCTS LABELING ACTS

Docket C-1516. Complaint, Apr. 4, 1969—Decision, Apr. 4, 1969

Consent order requiring a New York City manufacturer of ladies' coats to cease misbranding and falsely invoicing its textile fiber and fur products and furnishing false guaranties.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Textile Fiber Products Identification Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Career Originals, Inc., a corporation, and David Kaufman, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act and the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Career Originals, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Individual respondent David Kaufman is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of the corporate respondent including the acts and practices hereinafter referred to.

Respondents are engaged in business as manufacturers of ladies' coats, including both fur and textile products, with their office and principal place of business at 241 West 37th Street, New York, New York.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the trans-

portation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled or otherwise falsely and deceptively identified, in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products labeled as "natural" when in fact said fur products contained or were composed of bleached, dyed, or otherwise artificially colored fur.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but no limited thereto, were fur products with labels which failed to show that the said fur products contained or were composed of bleached, dyed, or otherwise artificially colored fur, when such was the fact.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondent in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to show that the said fur products contained or were composed of bleached, dyed, or otherwise artificially colored fur, when such was the fact.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in that said fur products were invoiced to show that the fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 7. Respondents furnished false guaranties that certain of their fur products were not misbranded, falsely invoiced or falsely advertised when respondents in furnishing such guaranties had reason to believe that fur products so falsely guarantied

would be introduced, sold, transported or distributed in commerce, in violation of Section 10(b) of the Fur Products Labeling Act.

PAR. 8. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

PAR. 9. Respondents are now and for some time last past have been engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 10. The respondents have furnished false guaranties that their textile fiber products were not misbranded by falsely invoicing and writing on invoices that respondents had filed a continuing guaranty under the Textile Fiber Products Identification Act with the Federal Trade Commission, when such was not the fact, in violation of Section 10(b) of the Textile Fiber Products Identification Act and Rule 38(d) of the Rules and Regulations promulgated under said Act.

PAR. 11. The acts and practices of respondents as set forth in Paragraph Ten above, were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted and now constitute unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in

the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act, Textile Fiber Products Identification Act and the Fur Products Labeling Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Career Originals, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 241 West 37th Street, New York, New York.

Respondent David Kaufman is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Career Originals, Inc., a corporation, and its officers, and David Kaufman, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manu-

facture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding any fur product by:

1. Representing directly or by implication on a label affixed thereto that the fur contained in such fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively invoicing any fur product by:

1. Failing to furnish an invoice as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Representing directly or by implication on invoices that the fur contained in such fur product is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Career Originals, Inc., a corporation, and its officers, and David Kaufman, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced, or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That respondents Career Originals, Inc., a corporation, and its officers, and David Kaufman, individually and as an officer of said corporation, and respondents' represent-

atives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from furnishing false guaranties that textile fiber products are not misbranded or falsely invoiced under the provisions of the Textile Fiber Products Identification Act.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of the order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

GENERAL NUTRITION CORPORATION TRADING AS NATURAL SALES COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

*Docket C-1517. Complaint, Apr. 4, 1969—Decision, Apr. 4, 1969**

Consent order requiring a Pittsburgh, Pa., distributor of drug preparations to cease making exaggerated claims concerning the efficacy of its vitamins and mineral products, and disseminating advertising which lists untested ingredients.

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*Published as amended by Commission's order of June 20, 1969, which amended the last paragraph of the order to clarify an ambiguity as to the filing of compliance reports.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that General Nutrition Corporation, a corporation, also trading as Natural Sales Company, and David B. Shakarian, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent General Nutrition Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at 921 Penn Avenue in the city of Pittsburgh, State of Pennsylvania. The said corporate respondent conducts its business under its own name and also under the name Natural Sales Company and formerly did business also under the name "Vitamin Sales Division."

David B. Shakarian is the chairman of the board and the president of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and have been for more than one year last past, engaged in the sale and distribution of preparations which come within the classifications of foods and drugs as those terms are defined in the Federal Trade Commission Act.

The designation used by respondents for said preparations, the formulae thereof and directions for use as stated on the labels are as follows:

1. GERI-GEN

Each fluid ounce (2 tablespoonfuls) contain:

Thiamine (B–1)	7.5	mg.	7½ M.D.R.
Riboflavin (B–2)	7.5	mg.	6¼ M.D.R.
Niacinamide	100	mg.	10 M.D.R.
Pyridoxine (B–6)	1	mg.	
Panthenol	4	mg.*	
Vitamin B–12	3	mcg.	
Methionine	100	mg.	
Choline Bitartrate	100	mg.*	
Iron (as in iron ammonium citrate)	100	mg.	10 M.D.R.

Plus Yeast Extract
Alcohol 12% by volume.
M.D.R.—Minimum Daily Requirement for adults.
*Need in human nutrition not established. Designed especially for ease of assimilation and digestibility by the system.

DOSAGE:

As a therapeutic tonic in Iron, Thiamine, Riboflavin, Niacinamide deficiencies: 1 tablespoonful at each meal or as directed by a physician. As a dietary supplement: 1 tablespoonful at one or two mealtimes daily.

2.

Each tablet contains:

Thiamine Mononitrate	5	mg.	5 M.D.R.
Riboflavin	5	mg.	4⅛ M.D.R.
Niacinamide	30	mg.	3 M.D.R.
Ascorbic Acid (Vitamin C)	75	mg.	2½ M.D.R.
Ferrous Sulfate, Exc. 168.2 mg. (providing 50 mg. of Iron)			5
Plus dietary supplementation with:			
Calcium Pantothenate	2	mg.	
Pyridoxine	0.5	mg.	
Vitamin B–12 Activity (Cobalamin Concentrate)	3	mcg.	
Inositol	20	mg.*	
Methionine	25	mg.	
Choline Bitartrate	25	mg.*	
Debittered Brewer's Dried Yeast	50	mg.	

M.D.R.—Minimum Daily Requirement for adults.
*Need in human nutrition not established.

DOSAGE:

As a therapeutic tonic in Thiamine, Riboflavin, Niacinamide, Ascorbic Acid (Vitamin C), Iron deficiencies: 1 tablet at each meal or as directed by physician.
As a dietary supplement: 1 tablet a day preferably during or after a meal.

3. HEMOTREX

vitamin and iron supplement

Two tablets supply:

Desiccated Liver, Dried and Defatted	600	mg.
Vitamin B–12 Activity (From Cobalamin Conc.)	30	mcg.
Ferrous Sulfate Anhydrous	600	mg.
Vitamin C (Ascorbic Acid)	150	mg.

Excipients and binders added.

For the treatment of iron deficiency anemia, 2 tablets daily. For special treatment of Vitamin B–12 deficiency conditions take as directed by physician.
Two tablets supply 22 times the minimum daily requirement of iron and 5 times the minimum daily requirement of Vitamin C. Minimum daily requirements for Vitamin B–12 have not been established.

PAR. 3. Respondents cause the said preparations, when sold, to be transported from their place of business in the State of Pennsylvania to purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said preparations in commerce, as "commerce" is defined in the Federal Trade Commission Act. The volume of business in such commerce has been and is substantial.

PAR. 4. In the course and conduct of their said business, respondents have disseminated, and caused the dissemination of, certain advertisements concerning the said preparations by the United States mails and by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including, but not limited to, advertisements inserted in catalogs, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said preparations; and have disseminated, and caused the dissemination of, advertisements concerning said preparations by various means, including but not limited to the aforesaid media, for the purpose of inducing and which were likley to induce, directly or indirectly, the purchase of said preparations in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Among and typical of the said advertisements disseminated as hereinabove set forth are those which are reproduced and attached to this complaint.*

PAR. 6. Through the use of the statements in the advertisements referred to in Paragraphs Four and Five, and others similar thereto not specifically set out herein, respondents have represented, and are now representing, directly and by implication:

1. By reference to symptoms, and otherwise, that the presence of iron deficiency anemia or iron deficiency of any degree can be self-diagnosed.

2. By reference to symptoms, and otherwise, that iron deficiency anemia or iron deficiency of any degree can generally be determined without medical tests conducted by or under the supervision of a physician.

3. By reference to symptoms, and otherwise, that deficiencies of vitamins B–1, B–2, B–12, C, niacin, and certain other B vitamins can be self-diagnosed.

4. By reference to symptoms, and otherwise, that deficiencies of vitamins B–1, B–2, B–12, C, niacin, and certain other B

*Pictorial advertisements omitted in printing.

vitamins can generally be determined without medical tests conducted by or under the supervision of a physician.

5. That the symptoms of tiredness, listlessness, lack of normal appetite, "depleted" feeling, "run-down" feeling, and easy fatigability are generally reliable indications or iron deficiency anemia, and that Geri-Gen Liquid and Geri-Gen Tablets are effective in the prevention, relief, and treatment of such symptoms.

6. That the ingredients other than iron in Geri-Gen Liquid, Geri-Gen Tablets, and Hemotrex contribute to the effectiveness of these preparations in the prevention, treatment, and relief of iron deficiency anemia and iron deficiency of any degree.

7. That the ingredients other than iron in Geri-Gen Liquid, Geri-Gen Tablets, and Hemotrex, contribute to the effectiveness of the preparations in the prevention, treatment, and relief of the symptoms caused by iron deficiency anemia and iron deficiency of any degree.

8. That the B Complex vitamins and vitamin C are not stored in the body and must be replaced daily.

PAR. 7. In truth and in fact:

1. Self-diagnosis of iron deficiency anemia or iron deficiency of any degree is not possible by a person lacking medical training.

2. The determination of iron deficiency anemia or iron deficiency of any degree is generally possible only by means of appropriate medical tests performed by or under the supervision of a physician.

3. Self-diagnosis of a deficiency of vitamin B–1, B–2, B–12, or of C, or of niacin, or of any other vitamin is not possible by a person lacking medical training.

4. The determination of a deficiency of vitamin B–1, B–2, B–12, or of C, or of niacin, or of any other vitamin is generally possible only by means of appropriate medical tests performed by or under the supervision of a physician.

5. A symptom such as tiredness, listlessness, lack of normal appetite, "depleted" feeling, "run-down" feeling or easy fatigability, or any combination of such symptoms, is not a generally reliable indication of iron deficiency or vitamin deficiency, and neither Geri-Gen Liquid nor Geri-Gen Tablets is of benefit in the treatment or relief of these or any other subjective symptom or symptoms in persons other than the small minority whose symptoms result from a deficiency of one or more of the vitamins, or iron, or other mineral provided by that preparation nor will either of these preparations be of benefit in the prevention of

these or any other subjective symptom or symptoms which might occur as a result of any cause other than a deficiency of one or more of the vitamins, or iron, or other mineral provided by either preparation.

6. None of the ingredients, other than iron, contributes to the effectiveness of Geri-Gen Liquid, Geri-Gen Tablets, or Hemotrex in the treatment or relief of iron deficiency anemia or iron deficiency of any degree, and none of the ingredients, other than iron, in any of these preparations contributes to their effectiveness in the prevention of iron deficiency anemia or iron deficiency of any degree.

7. None of the ingredients, other than iron, contributes to the effectiveness of Geri-Gen Liquid, Geri-Gen Tablets, or Hemotrex in the treatment, relief or prevention of symptoms caused by iron deficiency anemia or iron deficiency of any degree.

8. The B Complex vitamins and vitamin C are stored in the body and these vitamins need not be replaced daily. Deficiencies of any of the B Complex vitamins or vitamin C are rare because of the presence of such vitamins in abundant quantities in foods and nutrient liquids.

The aforesaid advertisements referred to in Paragraph Five above were, and are, misleading in material respects and constitute "false advertisements," as that term is defined in the Federal Trade Commission Act.

PAR. 8. Furthermore, the statements and representations in said advertisements have the capacity and tendency to suggest, and do suggest, to persons reading such advertisements, that there is a reasonable probability that Geri-Gen Liquid, Geri-Gen Tablets, and Hemotrex will be effective in the treatment, relief, and prevention of such subjective symptoms as tiredness, listlessness, lack of normal appetite, "depleted" feelings, "run-down" feeling, and easy fatigability.

In the light of such statements and representations, said advertisements are misleading in a material respect and, therefore, constitute false advertisements, as that term is defined in the Federal Trade Commission Act, because they fail to reveal the material facts; (1) that in the great majority of persons suffering from one or more of such subjective symptoms as tiredness, listlessness, lack of normal appetite, "depleted" feeling, "run-down" feeling, and easy fatigability, such symptoms are not caused by a deficiency of one or more of the ingredients contained in Geri-Gen Liquid, Geri-Gen Tablets or Hemotrex; (2)

the ingredients in such preparations would be of no benefit in the treatment or relief of these or other subjective symptoms in the great majority of persons, and (3) the taking of such preparations would not prevent the development of such symptoms from other causes.

PAR. 9. Furthermore, the references to the presence of vitamins and other minerals in addition to iron in Geri-Gen Liquid, Geri-Gen Tablets, and Hemotrex, and other statements and representations in said advertisements, have the capacity and tendency to suggest, and do suggest, to persons reading such advertisements that there is a reasonable probability that an individual with iron deficiency will also suffer from a deficiency of one or more of the vitamins or a deficiency of one or more of the other minerals in said preparations.

In the light of such references to ingredients and such other statements and representations, said advertisements are misleading in a material respect, and, therefore, constitute false advertisements, as that term is defined in the Federal Trade Commission Act, because they fail to reveal the material fact that, in the great majority of cases of iron deficiency, there is no need for additional vitamins or for any additional mineral other than iron.

PAR. 10. Furthermore, the listing of ingredients in the declarations of ingredients, and other references to ingredients in said advertisements of Geri-Gen Liquid, and Geri-Gen Tablets, have the capacity and tendency to suggest, and do suggest, to persons reading such advertisements that all of the ingredients listed in said declarations of the ingredients, or otherwise referred to, are of significant value as dietary supplements.

In the light of such listing of ingredients in the declaration of ingredients, and other references to ingredients, said advertisements are misleading in a material respect and, therefore, constitute false advertisements, as that term is defined in the Federal Trade Commission Act, because they fail to reveal the material facts that for certain of the ingredients (1) the need in human nutrition has not been established, a fact disclosed with respect to certain of the ingredients on the labels of said preparations, or (2) their presence is without nutritional significance, a fact disclosed with respect to certain of the ingredients by an advertisement for respondents' product "Gerex".

PAR. 11. The dissemination by the respondents of the false advertisements, as aforesaid, constituted, and now constitute, un-

fair and deceptive acts and practices in commerce, in violation of Sections 5 and 12 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent General Nutrition Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its principal office and place of business located at 921 Penn Avenue, in the city of Pittsburgh, State of Pennsylvania. The corporate respondent conducts its business under its own name and also under the name Natural Sales Company and formerly did business also under the name "Vitamin Sales Division."

Respondent David B. Shakarian is the Chairman of the Board and the President of the corporate respondent and his address is the same as that of said corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents General Nutrition Corporation, a corporation, also trading as Natural Sales Company, or under any other name or names, and its officers, and David B. Shakarian, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of Geri-Gen Liquid, Geri-Gen Tablets or Hemotrex, or any other food or drug preparation containing vitamins and/or minerals, do forthwith cease and desist from:

1. Disseminating, or causing to be disseminated, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which represents, directly or by implication that:

(a) The use of such preparations will be of benefit in the prevention, relief or treatment of tiredness, listlessness, lack of normal appetite, "depleted" feeling, "run-down" feeling, easy fatigability or any other symptom, unless such representation is expressly limited to a symptom or symptoms caused by a deficiency of one or more of the vitamins or iron provided by such preparations; and, further, unless such advertisement also discloses clearly and conspicuously, in immediate or close proximity, and with equal prominence, to any such representations:

(1) That, in the great majority of persons suffering from any such symptom or symptoms, the preparations will be of no benefit in the prevention, treatment or relief of such symptom or symptoms; and

(2) That the presence of iron deficiency anemia or iron deficiency of any degree cannot be self-diagnosed and can be determined only by means of medical or laboratory tests conducted by or under the supervision of a physician; and

(3) That the presence of a deficiency of the B vitamins, or of any vitamin, cannot be self-diagnosed and can be determined only by means of medical or laboratory tests conducted by or under the supervision of a physician.

(b) Any B Complex Vitamin or Vitamin C is not stored in the body or must be replaced daily.

(c) Any ingredient, other than iron, in Geri-Gen Liquid, Geri-Gen Tablets or Hemotrex contributes to the effectiveness of these or similar preparations in the prevention, treatment or relief of iron deficiency anemia or of iron deficiency or of symptoms represented, directly or by implication, to be caused by iron deficiency or iron deficiency anemia;

(d) An individual with iron deficiency anemia or an iron deficiency may also suffer from a deficiency of one or more of the other minerals or of one or more of the vitamins in Geri-Gen Liquid, Geri-Gen Tablets or Hemotrex, unless the advertisement also discloses clearly and conspicuously, in immediate or close proximity and with equal prominence, that in the great majority of cases of iron deficiency anemia or iron deficiency there is no need for additional vitamins or for any additional mineral other than iron;

(e) The presence of iron deficiency anemia or iron deficiency of any degree can be self-diagnosed;

(f) The presence of iron deficiency anemia or iron deficiency of any degree can generally be determined without medical or laboratory tests conducted by or under the supervision of a physician;

(g) The presence of a deficiency of the B vitamin, or of any vitamin, can be self-diagnosed;

(h) The presence of a deficiency of the B vitamins, or of any vitamin, can generally be determined without medical tests conducted by or under the supervision of a physician.

Provided, however, That the reference in any advertisement of respondents' vitamin and/or mineral products to a deficiency of vitamins and/or minerals, either directly or by inference, shall not be deemed to constitute a violation of subsections (e), (f), (g) or (h) of Section 1 hereof so long as such advertisement also contains an equally clear and conspicuous statement which reads "If, after medical tests, your doctor has found that you need vitamin and/or mineral supplements, let him recommend those which you may need."

Provided further, however, That neither (1) the identification of respondents' vitamin and/or mineral products by names which

are acceptable in labeling to the Food and Drug Administration; nor (2) the listing of the ingredients or enumeration of the formulas of such products expressed as percentages of such unit as may be determined as appropriate in labeling by the Food and Drug Administration; shall be considered to be violative of subsections (c), (d), (e), (f), (g) or (h) hereof.

2. Disseminating, or causing to be disseminated, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which lists, or otherwise refers to as an ingredient, any ingredient the need for which in human nutrition has not been established, or an ingredient whose presence in the preparation is without nutritional significance, unless the advertisement also discloses clearly and conspicuously, in immediate or close proximity, and with equal prominence: (1) that the need for such ingredient in human nutrition has not been established; or (2) that the presence of such ingredient in such preparation is without nutritional significance, as the case may be.

3. Disseminating, or causing to be disseminated, by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains statements which are inconsistent with, negate or contradict any of the affirmative disclosures required by paragraphs 1 or 2 of this order.

4. Disseminating, or causing to be disseminated, by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of any such preparation in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains any of the representations prohibited by paragraphs 1, 2 or 3 hereof, or which fails to comply with the affirmative requirements of paragraphs 1 and 2 hereof.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, on the date that this order shall become final in accordance with the terms of Paragraph 7 of the Consent Agreement, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

WASHINGTON GAS & ELECTRIC APPLIANCE COMPANY INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THI FEDERAL TRADE COMMISSION ACT

Docket C-1518. Complaint, Apr. 7, 1969—Decision, Apr. 7, 1969

Consent order requiring three affiliated Washington, D.C., distributors of ai conditioning and heating units to cease using or simulating the trad names of any public utility or competitors, using dummy addresse to falsify the size of their operations, and disparaging the installe equipment of competitors.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commissior Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Washington Gas & Electric Appliance Company, Inc. and Allison Air Conditioning & Heating Service, corporations, and Sidney Grossman, individually and as an officer of said corporations, and Abatt Air Conditioning & Heating Company, Inc., a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Washington Gas & Electric Appliance Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its principal office and place of business located at 2206 14th Street, NW., Washington, D.C.

Respondent Allison Air Conditioning & Heating Service is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 2212 14th Street, NW., Washington, D.C.

Respondent Abatt Air Conditioning & Heating Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its

principal office and place of business located at 2206 14th Street, NW., Washington, D.C.

Respondent Sidney Grossman is an individual and is an officer of corporate respondents Washington Gas & Electric Appliance Company, Inc., and Allison Air Conditioning & Heating Service, and he owns the stock and manages the business of corporate respondent Abatt Air Conditioning & Heating Company, Inc. He formulates, directs and controls the acts and practices of the aforesaid corporate respondents, including the acts and practices hereinafter set forth. His business address is 2206 14th Street, NW., Washington, D.C.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale, distribution, installation and service of air conditioning and heating units to and for the public.

PAR. 3. In the course and conduct of their business as aforesaid, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the District of Columbia to purchasers thereof located in various States of the United States and in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their heating and air conditioning units, or their services, respondents have made, and are now making, numerous statements and representations in newspaper advertisements and telephone directories, as well as through oral statements and representations by their employees, of which the following are typical and illustrative, but not all inclusive thereof:

1. Respondents have placed listings for the Washington Gas & Electric Appliance Company, Inc., in telephone directories and yellow pages, immediately preceding the listing for the Washington Gas Light Company, the public gas utility company for the Washington, D.C., metropolitan area, and respondents have made other representations, in a manner which had the tendency and capacity to lead the public to believe that respondent corporation is the same as, or is affiliated with the Washington Gas Light Company.

2. Respondents have placed listings for the Ream Air Condi-

tioning Company in the yellow pages of telephone directories preceding listings for factory authorized "Rheem" air conditioning and furnace dealers and have advertised the aforesaid company in newspapers in a manner which had the tendency and capacity to lead the public to believe that respondents regularly sell "Rheem" air conditioning and heating units.

3. Respondents have placed multiple listings for the following companies in telephone directories and under various classifications throughout the yellow pages and have placed advertisements for these companies in newspapers representing that these companies had offices, branch offices or dispatch offices at various locations in the Washington, D.C., metropolitan area, including Virginia and Maryland, which had the tendency and capacity to lead the public to believe that respondents operate sales and service facilities in their neighborhood or vicinity:

Washington Gas & Electric Appliance Company, Inc.,	
1835 K NW	483–4900
BarrBG	483–4900
3801 N Fairfax Dr Arl	528–6488
Allison Air Conditioning & Heating Service,	
2212 14thNW	AD 4–4206
941 N Highland Arl	JA 5–1448
3801 N. FairfxDr Arl	525–1448
2112 Ellis SilSpg	589–4851
6800 20th Av Hyatts	422–2207
Abatt Air Conditioning & Heating Company, Inc.,	
2206 14thNW	265–0405
6900 WisAv Beth	656–3665
8634 ColsvlRd SilSpg	587–6463
4400 StampRd SilHill	423–0333
200 N Wash Alex	548–2844
1207 King Alex	KI 8–2844
2523 Wilsn Blvd Arl	522–1006
3801 N Fairfx Dr Arl	522–1006
Lennard Air Conditioning & Heating Company,	
6800 20th Av Hyatts	422–2207
2112 Ellis SilSpg	589–4851
941 N Highland Arl	JA 5–1448
2212 14thNW WashDC	AD 4–4206
Charter Air Conditioning & Heating Company,	
6800 20th Av Hyatts	422–2207
2112 Ellis SilSpg	589–4851
941 N Highland Arl	JA 5–1448
2212 14thNW WashDC	AD 4–4206
General Air Conditioning & Electric Company,	
6800 20thAv Hyatts	422–2207

2112 Ellis SilSpg 589–4851
941 N Highland Arl ..... JA 5–1448
2212 14thNW WashDC ..... AD 4–4206

Ream Air Conditioning Company,
2212 14thNW ..... AD 4–4206

AAA Air Conditioning & Heating Co. Inc.,
2206 14thNW 265–0405

ABACO Air Conditioning & Heating Co. Inc.
2206 14thNW 265–0405

PAR. 5. In truth and in fact:

1. Respondents are not the same as nor are they affiliated with the Washington Gas Light Company, but use the similarity of the corporate names to obtain leads to prospective customers. Respondents and their employees fail to disclose to prospective customers that they are not the same as or affiliated with the Washington Gas Light Company and take advantage of the customer's misunderstanding as to respondents' identity to induce the purchase of products and services.

2. Respondents do not regularly sell "Rheem" air conditioning or heating units. The Ream Air Conditioning Equipment Company is a bogus company conceived by respondents to capitalize upon the goodwill of "Rheem" equipment and the dealers of "Rheem" equipment and to divert customers from these dealers.

3. Respondents do not operate offices, branch offices or dispatch offices at various locations in the Washington, D.C., metropolitan area or in Virginia or Maryland. The corporations named as respondents operate at two adjacent locations under the management, control and ownership of the individual respondent. The companies listed and advertised by respondents, except those named in the complaint, are nonexistent bogus companies.

Therefore, the statements, representations and practices set forth in Paragraph Four hereof were and are unfair, false, misleading and deceptive.

PAR. 6. In the course and conduct of their business, as aforesaid, respondents' employees have on occasions made oral and written representations to prospective customers that the customer's air conditioning or heating unit was materially defective, not repairable or in a condition which might endanger life or property when such representations were contrary to the fact. In some instances, these misrepresentations were made to prospective customers who believed that respondents' employees were representatives of a gas or utility company. Such misrepresentations had the effect of inducing prospective customers to

purchase new air conditioning or heating units from respondents or to authorize extensive and unneeded repairs.

Therefore, such statements, representations and practices were and are unfair, false, misleading and deceptive.

PAR. 7. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and now are, in substantial competition, in commerce, with corporations, firms and individuals in the sale and service of air conditioning and heating units of the same general kind and nature as those sold and serviced by respondents.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products and services by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement and having accepted same, and having thereupon placed such agreement on

the public record and having duly considered the comment filed thereafter pursuant to § 2.34(b) of its Rules, now, in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Washington Gas & Electric Appliance Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its office and principal place of business located at 2206 14th Street, NW., Washington, D.C.

Respondent Allison Air Conditioning & Heating Service is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 2212 14th Street, NW., Washington, D.C.

Respondent Abatt Air Conditioning & Heating Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its office and principal place of business located at 2206 14th Street, NW., Washington, D.C.

Respondent Sidney Grossman is an officer of Washington Gas & Electric Appliance Company, Inc., and Allison Air Conditioning & Heating Service, and he owns the stock and manages the business of Abatt Air Conditioning & Heating Company, Inc. His business address is 2206 14th Street, NW., Washington, D.C.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Washington Gas & Electric Appliance Company, Inc., and Allison Air Conditioning & Heating Service, corporations, and their officers, and Sidney Grossman, individually and as an officer of said corporations, and respondent Abatt Air Conditioning & Heating Company, Inc., a corporation, and its officers, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale, distribution or service of air conditioning or heating units or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using, in any manner, a sales plan, scheme or device wherein false, misleading or deceptive representations are made in order to obtain leads or prospects for the sale of merchandise or services or to induce sales of any merchandise or services.

2. Using the name Washington Gas & Electric Appliance Company, Inc., or any variation thereof, or any substantially similar name or designation in the greater Washington D.C., metropolitan area: *Provided, however,* That nothing herein shall be construed to prohibit respondents from using the name Washington Electric & Gas Furnace and Air Conditioning Company, Inc.

3. Representing, directly or indirectly, that respondents' employees are in the employ of any gas or utility company.

4. Misrepresenting, in any manner, the nature of respondents' business, or affiliations or connections with any public utility or publicly franchised company, or any other organization.

5. Using the name "Ream" or any substantially similar name or designation in any telephone directory listing, or advertising of any nature.

6. The adoption, advertising, or listing in telephone directories of any trade or corporate name which simulates the trade or corporate name of an established competitor or the product sold by an established competitor of respondents.

7. Representing, directly or indirectly, that respondents regularly sell any trade name product unless respondents regularly sell said products in the course of their business.

8. Listing in telephone directories, or advertising, in any manner, a sales, service, dispatch or other facility, at various addresses unless they, in fact, maintain either sales, service, dispatch or other facilities at the addresses advertised and listed and truthfully so designate the nature of such facilities at each address in any such advertising and listing.

9. Listing in telephone directories, or advertising, in any manner, a corporation, company, or other business concern, unless such corporation, company or other business concern, is a viable business entity, which maintains books and records and has a full time force of personnel which conduct business on a daily basis.

10. Listing in telephone directories, or advertising, in any

manner, the same company or corporation under more than one name.

11. Misrepresenting, in any manner, the location or extent of the sales or services facilities operated by respondents.

12. Representing, directly or by implication, that any furnace or air conditioning unit is defective in any manner, not repairable, or in a condition which may endanger life or property: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that such representation or representations were based upon adequate inspection or analysis of the unit and respondents thereby knew or had valid reason to believe in good faith that said representation or representations were true.

13. Making any representations, in any manner, with respect to the condition of any air conditioning or heating unit: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that such representation or representations were based upon adequate inspection or analysis of the unit and respondents thereby knew or had valid reason to believe in good faith that said representation or representations were true.

14. Failing to deliver a copy of this order to cease and desist to all present and future salesmen or other persons engaged in the sale of respondents' products or services, and failing to secure from each such salesman or other person a signed statement acknowledging receipt of said order.

It is further ordered, That respondent corporations shall forthwith distribute a copy of this order to each of their operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

JACOBY-BENDER, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 8728. Complaint, Jan. 27, 1967—Decision, April 8, 1969

Consent order requiring a Queens County, N.Y., distributor of watchbands and identification bracelets to cease mislabeling its products as to the foreign origin of certain component parts.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act the Federal Trade Commission, having reason to believe that Jacoby-Bender, Inc., a corporation, and William E. Stark, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Jacoby-Bender, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 62–10 Northern Boulevard, Woodside, Queens County, New York.

Respondent William E. Stark is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale or distribution of metal expansion watch bands, identification bracelets and other products to distributors, jobbers and retailers for resale to the public.

PAR. 3. In the course and conduct of their aforesaid business, respondents now cause, and for some time last past have caused, their said products when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other States of the United States, and maintain, and

at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their said business, the respondents obtain substantial quantities of certain of the components of their products from foreign countries, such as the metal expansion watch band component known as the "chain" for expansion watch bands from Hong Kong. Said foreign made components are employed in the manufacture and assembly of their products.

Before manufacture and assembly of such foreign made components, said items contain a visible foreign origin mark engraved on a surface thereof. After manufacture or assembly of said components into a finished product such as a watch band, the surface on which such foreign origin mark has been engraved is combined with the other components in such a manner as to conceal the said foreign origin mark without destroying, damaging or disassembling the said finished product.

After manufacture and assembly of said watch bands as aforesaid, the finished product containing some of such foregoing foreign made components and the packaging thereof contain numerous statements and representations whereby respondents affirmatively represent, and have represented, that said watch bands, or the substantial components thereof, were made in whole, or in part, in the United States.

Typical and illustrative of such statements and representations, but not all inclusive thereof, are the following:

EXPERTLY CRAFTED IN THE U.S.A. * * * JACOBY-BENDER, INC., NEW YORK, U.S.A.

* * * * * * *

Union Made in U.S.A.

* * * * * * *

U.S.A.

PAR. 5. By and through the use of the foregoing statements, representations and practices and others similar thereto not specifically set out herein, respondents represent, and have represented, directly or by implication, that their said products are wholly of domestic origin.

PAR. 6. In truth and in fact, said products are not wholly of domestic origin but in fact contain a substantial component made in Hong Kong.

Therefore, the statements and representations as set forth in

Paragraphs Four and Five hereof were and are false, misleading and deceptive.

PAR. 7. In the absence of an adequate disclosure that a product, or any of the substantial components thereof, including metal expansion watch bands, is of foreign origin, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public have a preference for said articles which are of domestic origin, of which fact, the Commission also takes official notice.

Respondents failure to clearly and conspicuously disclose the country of origin of said articles of merchandise, or, substantial components thereof, is, therefore, to the prejudice of the purchasing public.

PAR. 8. By the aforesaid practices, the respondents place in the hands of wholesalers, distributors and retailers, means and instrumentalities by and through which they may mislead and deceive the public as to the origin of their metal expansion watch bands or a substantial part or parts thereof.

PAR. 9. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of products of the same general kind and nature as those sold by respondents.

PAR. 10. The use by the respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

Mr. Herbert L. Blume and *Mr. Mario V. Mirabelli* supporting the complaint.

Mr. Philip K. Schwartz and *Mr. Paul B. Gibney, Jr.*, for respondents.

INITIAL DECISION BY EDGAR A. BUTTLE, HEARING EXAMINER

NOVEMBER 16, 1967

PRELIMINARY STATEMENT

This proceeding was initiated by the issuance of the Commission's complaint on January 27, 1967. The complaint charges violation of Section 5 of the Federal Trade Commission Act (15 U.S.C.A. 45, *et seq.*) by the corporate respondent, Jacoby-Bender, Inc., a corporation, and the individual respondent, William E. Stark, individually and as an officer of the respondent corporation. The violations alleged charge deceptive acts and practices and unfair methods of competition in connection with the use of expansion watchband parts such as the substantial component known as the "chain," which respondents imported from Hong Kong and sold and distributed in "commerce" as defined by Section 4 of the Federal Trade Commission Act (15 U.S.C.A. 44), without identification as to source. The complaint appears to encompass all substantial parts although complaint counsel's proof was offered only as to the "chains."

On the last day of the hearing, September 25, 1967, complaint counsel and respondents' counsel agreed on the entry of an order upon consent, subject to certain findings and conclusions, to enable a clear understanding of the order and its contemplation. The order consented to by respondents is the proposed order annexed to the complaint. The consent, however, was subject to certain findings and conclusions which were to be, substantially, as indicated by respondents' counsel. These proposed findings and conclusions are hereinafter referred to.

Respondents' counsel contend, incident to consent, that the scissors imported by respondent Jacoby-Bender, Inc., illustrated by RX 1 and RX 2, must be construed to be an unsubstantial part of the finished watchband of the company since the evidence (*i.e.*, the testimony of William E. Stark, Tr. 199-202) as to their insignificance as a component part is entirely uncontradicted. Complaint counsel appears to have agreed and has not objected to the admissibility of the Stark testimony, or conclusions to be drawn therefrom, which as propounded by respondents' counsel are as follows:

1. The scissors imported by Jacoby-Bender, Inc., Respondents' Exhibits 1 and 2, are not a substantial part or component of the finished watchband of the company.

2. The scissors are excluded from the coverage of the order referred to below.

3. Any reference to any item, component or part of a watchband set forth in this order is limited to and means a substantial item or a substantial component or a substantial part.

4. The order herein is understood as being applicable to all sales by respondents in the United States and its possessions, but is not applicable to re-export since the order may only contemplate products of respondents distributed for sale in the United States.

In connection with the foregoing, complaint counsel indicated that he had no evidence in opposition thereto which he could adduce to the effect that the scissors were a substantial item or a substantial component or a substantial part of the watchbands sold by respondents.

Regardless of any stipulations entered into by complaint counsel and respondents' counsel (pursuant to which respondents' counsel were willing to consent to the entry of an order identical to the one annexed to the complaint subject to certain findings and conclusions aforementioned), the evidence itself as evaluated by the examiner would result in the same findings and conclusions, whether or not counsel's stipulations are relied upon or the evidence itself without regard to such stipulations. The construction of the stipulations does not, therefore, appear to be realistically material.

The hearing examiner has carefully considered the proposed findings of fact and conclusions supplemented by briefs of complaint counsel, and such proposed findings and conclusions if not herein adopted, either in the form proposed or in substance, are rejected as not supported by the record or as involving immaterial matters.

FINDINGS OF FACT

1. Respondent Jacoby-Bender, Inc., is a corporation organized, existing and doing business under and by virtue of the State of New York, with its principal office and place of business located at 62-10 Northern Boulevard, Woodside, Queens County, New York (Amended Answer, p. 1; Tr. 8, 14, 17).

2. Respondent William E. Stark is an officer of the corporate respondents. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His business is the same as that

of the corporate respondent (Amended Ans.; Tr. 9, 12, 14, 17-23, 26, 57, 126, 134, 135, 200).

3. Respondents are now, and for some time past have been, engaged in the advertising, offering for sale, sale and distribution of metal expansion watchbands, identification bracelets and other products to distributors, jobbers and retailers for resale to the public (Tr. 15, 17; CXs 12, 47-92, 106).

4. In the course and conduct of their business, respondents now cause, and for some time past have caused, their products when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein, have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act (Amended Ans.; Tr. 17, 26; CXs 47-106).

5. In the course and conduct of their said business, the respondents obtain substantial quantities of certain of the components of their products from foreign countries, such as the metal expansion watchband component known as the "chain" for expansion watchbands from Hong Kong. Said foreign-made components are employed in the manufacture and assembly of their products.

After manufacture and assembly of substantial quantities of said watchbands made with chains imported from Hong Kong, the advertising for such products, such as brochures, catalogs and packaging in which such products are sold to the ultimate consumer, contains numerous statements and representations whereby respondents affirmatively represent, and have represented, that said watchbands, or the substantial components thereof, were made in whole or in part in the United States.

Typical and illustrative of such statements and representations, but not all inclusive thereof, are the following:

EXPERTLY CRAFTED IN THE U.S.A. * * *
JACOBY-BENDER, INC., NEW YORK, U.S.A.

* * * * * * *

Union Made In U.S.A.

* * * * * * *

U.S.A.

(Amended Ans.; Tr. 18, 19, 53, 95, 96, 100, 101, 117, 118; CXs 101, 103.)

6. By and through the use of the foregoing statements, representations and practices and others similar thereto not spe-

cifically set out herein, respondents represent, and have represented, directly or by implication, that their said products are wholly of domestic origin.

7. In truth and in fact, said products are not wholly of domestic origin but in fact contain a substantial component, namely the "chain," made in Hong Kong.[1] Therefore, the statements and representations as aforesaid whereby respondents affirmatively represent that said products are of domestic origin were and are false, misleading and deceptive (Tr. 17, 18-19, 71-74, 79-81, 93-94, 106-07, 111-17, 123-24, 166-68; CXs 3-16, 93-95, 100, 101, 103).

8. In the absence of an adequate disclosure that a product, or any of the substantial components thereof, including metal expansion watchbands, is of foreign origin, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public have a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice.

Respondents' failure to clearly and conspicuously disclose the country of origin of said articles of merchandise, or substantial components thereof, as well as the aforesaid affirmative misrepresentation of domestic origin of said articles of merchandise, or substantial components thereof, is, therefore, to the prejudice of the purchasing public.

9. In the conduct of their business, respondents have been in substantial competition, in commerce, with corporations, firms and individuals engaged in the sale of products of the same general kind and nature as those sold by respondents.

10. One of the present components of some of the watchbands

[1] The ocmponent known as the "chain" is used in the "half-skeleton" model of metal expansion watchband. This model consists of a short "skeleton" set between two metal portions of equal length (and is illustrated by CX 10). In this model, the skeleton consists of about one-third of the length of the watchband. Attached to both ends of this skeleton are two nonexpansible and identically congruent extensions called "arms" which attach to either end of the watch. The effect is that the watch is held on the wearer's wrist between the two "arm" portions of the watchband.

The chain consists of nonexpansible, unfinished metal links which, when processed and covered with a decorative outer shell, as well as with connecting devices at the ends, constitute an "arm."

The parts which constitute the arm are: the chain, end plate, adapter plate, watch end shell, adapter shell, and top shells. The chain, as imported, is subject to substantial processing before being incorporated in the watchband. However, the chain forms the core of the arm, and the arms constitute approximately two-thirds of the length of a half-skeleton model watchband. For this reason, the chain is a substantial component of any half-skeleton model watchband.

of Jacoby-Bender is a component referred to in this proceeding as a "scissors," both half-scissors (RX 1) and full scissors (RX 2).[2]

It is found that the scissors imported by respondent Jacoby-Bender, as illustrated by RX 1 and RX 2, are not a substantial part of the finished watchband of Jacoby-Bender since the evidence as to their insignificance as a component part is entirely uncontradicted.

CONCLUSIONS

1. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents.

2. The complaint herein states a cause of action and this proceeding is in the public interest.

3. For the reasons set forth in Finding 7, footnote 1, hereof, the chain constitutes a substantial component of those watchbands produced by respondent Jacoby-Bender containing said part.

4. Therefore, the aforesaid acts and practices of respondent, in using chains imported from Hong Kong in watchbands sold and distributed in the various states of the United States as set forth above, were to the prejudice and injury of the public and of respondents' competitors, and constituted unfair methods of competition in commerce and unfair and deceptive practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

5. An order to cease and desist directed at said acts and practices should therefore issue against respondents.

6. However, the scissors imported by Jacoby-Bender (either RX 1 or RX 2) is not a substantial part or component of the finished watchband of the company (Tr. 200-03).

7. The said scissors are excluded from the coverage of the order referred to herein. Obviously this is without prejudice to the right of the Commission to subsequently issue a complaint relating to this component part, which has been proved without contradiction at this hearing to be an unsubstantial and insignificant component (Tr. 196-200).

8. Any reference to any item, component or part of a watchband set forth in said order is limited to and means a sub-

[2] William E. Stark testified, with respect to the scissors, that it is an insignificant part of the completed watchband of respondent Jacoby-Bender, and there is no contrary or other evidence on this subject.

stantial item or a substantial component or a substantial part.

9. The order herein shall be construed to apply to all sales by respondents in the United States and its possessions, but inapplicable to re-export items since the order may contemplate only products of respondents distributed for sale in the United States.

ORDER

It is ordered, That respondents Jacoby-Bender, Inc., a corporation, and its officers, and William E. Stark, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of metal expansion watchbands or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing any such products which are substantially, or which contain a substantial part or parts, of foreign origin or fabrication without affirmatively disclosing the country or place of origin or fabrication thereof on the products themselves, by marking or stamping on an exposed surface, or on a label or tag affixed thereto, of such a degree of permanency as to remain thereon until consummation of consumer sale of the products, and of such conspicuousness as likely to be observed by and read by purchasers and prospective purchasers making casual inspection of the products.

2. Offering for sale, selling or distributing any such product packaged, mounted in a container, or a display card or other display device, without disclosing the country or place of foreign origin of the product, or substantial part or parts thereof, on the front or face of such packaging, container, display card or other display device, so positioned as to clearly have application to the product so packaged or mounted, and of such degree of permanency as to remain thereon until consummation of consumer sale of the product, and of such conspicuousness as likely to be read by purchasers making casual inspection of the product as so packaged or mounted.

3. Using the words "Made in U.S.A." or "New York, U.S.A." or any other word or words of similar import or meaning, in connection with any such product which con-

tains a substantial item, component or part made in Hong Kong or any other foreign country, without clearly disclosing the country of origin of such item, component or part in the manner set out above in Paragraphs 1 and 2 hereof.

4. Representing, in any other manner, that any such product which contains a substantial item, component or part made in Hong Kong or any other foreign country, is made in the United States without clearly disclosing the country of origin of such item, component or part in the manner set out above in Paragraphs 1 and 2 hereof.

5. Representing, directly or by implication, that any product or part thereof made in a foreign country is made in the U.S.A.

6. Placing in the hands of distributors, retailers and others, means and instrumentalities by and through which they may deceive and mislead the purchasing public concerning any merchandise in the respects set out above.

DECISION AND ORDER

The Commission having issued its complaint in this proceeding on January 27, 1967, charging respondents Jacoby-Bender, Inc., a corporation, and William E. Stark, individually and as an officer of said corporation, with violation of the Federal Trade Commission Act, and hearings having subsequently been held at termination of which the hearing examiner issued his initial decision on November 16, 1967, from which initial decision counsel supporting the complaint filed appeal; and

An "Agreement Containing Consent Order to Cease and Desist" having been submitted to the Commission for its consideration which agreement contains, *inter alia,* a consent order; an admission by the signatory respondents of all the jurisdictional facts alleged in the complaint; statements that the record on which the decision of the Commission shall be based shall consist solely of the complaint and the agreement together with specified exhibits and any comments which may be filed as there provided, and that said agreement is for settlement purposes only and does not constitute an admission by the signatory respondents that the law has been violated as alleged in the complaint; and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement, which also

recites that respondent William E. Stark is a former officer of the corporate respondent and which further provides that, if and when the Commission enters its decision in disposition of the proceeding based on the agreement, the initial decision of the hearing examiner will be vacated; and

The Commission having determined that the agreement constitutes an adequate basis for appropriate disposition of this proceeding, and having accepted same, and the agreement having thereupon been placed on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby makes the following jurisdictional findings, and enters the following order:

1. Respondent Jacoby-Bender, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 62–10 Northern Boulevard, Woodside, Queens County, New York.

Respondent William E. Stark is a former officer of said corporation and his address is 1 Hudson Harbor, Edgewater, New Jersey 07083.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Jacoby-Bender, Inc., a corporation, and its officers, and William E. Stark, individually and as a former officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of metal expansion watchbands or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing any such products which are substantially, or which contain a substantial part or parts, of foreign origin or fabrication without affirmatively disclosing the country or place of origin or fabrication thereof on the products themselves, by marking or stamping on an exposed surface, or on a label or tag affixed thereto, of such a degree of permanency as to remain thereon until consummation of consumer sale of the products, and

of such conspicuousness as likely to be observed by and read by purchasers and prospective purchasers making casual inspection of the products.

2. Offering for sale, selling or distributing any such product packaged, mounted in a container, on a display card or other display device, without disclosing the country or place of foreign origin of the product, or substantial part or parts thereof, on the front or face of such packaging, container, display card or other display device, so positioned as to clearly have application to the product so packaged or mounted, and of such degree of permanency as to remain thereon until consummation of consumer sale of the product, and of such conspicuousness as likely to be read by purchasers making casual inspection of the product as so packaged or mounted: *Provided, however,* That as used in prohibitions 1 and 2 of this order, the term "substantial part" shall not be construed to include (a) a scissors component similar to Respondents' Exhibits 1 or 2, in such metal expansion watchbands, or (b) the using of two push pin components in its non-metal bands and up to seven push pin components in its metal bands, or (c) a spring ring component in its products.

3. Using the words "Made in U.S.A." or "New York, U.S.A." or any other word or words of similar import or meaning, in connection with any such product which contains an item, component or part made in Hong Kong or any other foreign country, without clearly disclosing the country of origin of such item, component or part in the manner set out above in Paragraph 1 whenever the words appear on the product, and in the manner set out above in Paragraph 2 whenever the words appear on the packaging, container, display card or other display device.

4. Representing, in any other manner, that any such product which contains an item, component or part made in Hong Kong or any other foreign country, is made in the United States without clearly disclosing the country of origin of such item, component or part in the manner set out above in Paragraph 1 whenever the representation appears on the product, and in the manner set out above in Paragraph 2 whenever the representation appears on the packaging, container, display card or other display device.

5. Representing, directly or by implication, that any such product made in a foreign country is made in the U.S.A.;

or using any word or term which represents or suggests that any product, containing a part whether substantial or insubstantial (including scissors) made in a foreign country, is made in the U.S.A. without clearly disclosing the country of origin of such part in the manner set out above in Paragraph 1 whenever the representation appears on the product, and in the manner set out above in Paragraph 2 whenever the representation appears on the packaging, container, display card or other display device.

6. Placing in the hands of distributors, retailers and others, means and instrumentalities by and through which they may deceive and mislead the purchasing public concerning any merchandise in the respects set out above.

It is further ordered, That the order herein shall be construed to apply to all sales by respondents in the United States and its Possessions and in Puerto Rico, but shall be inapplicable to export items.

It is further ordered, That nothing contained in prohibitions 3, 4, 5 and 6 of this order shall be construed to prohibit respondents from:

(1) Making disclosure of the name and address of the respective respondents by nondeceptively imprinting such name together with its address on packages, containers, display devices or guarantees for its products, and such address may also be set forth by designating the city and/or state, or

(2) Nondeceptively stamping on the backs of said products the letters "U.S.A." in manner and in size and coloring not likely to be observed or read by purchasers and prospective purchasers at retail, making casual inspection of said products, it being understood that stamping in size of type no larger or in greater color prominence than that on Commission Exhibit 100 and Consent Agreement Exhibits 1 and 2 attached to the Consent Agreement shall not be deemed to be in violation of said prohibitions,

and neither of the foregoing shall be construed to be a representation of place of origin of the product or any part or component thereof.

It is further ordered, That nothing herein shall be construed to prohibit the respondent corporation from selling, distributing, or using, until June 1, 1969, watchbands or watchband parts in inventory as of the date of service of this order which are stamped

with the words "U.S.A.," or "U.S.A. Pat. _____" or "U.S. Pat. _____" or packages, containers, display devices or guarantee forms in inventory as of said date imprinted with those words.

It is further ordered, That the foregoing shall be without prejudice to the rights of respondents (a) to seek a ruling from the Commission pursuant to § 3.61 of the Commission's Rules with respect to the use of push pin components in excess of the foregoing numbers, or (b) to seek advice from the Commission regarding the use in their products of parts thereof made in a foreign country.

It is further ordered, That the Initial Decision of the hearing examiner be, and it hereby is, vacated.

It is further ordered, For purposes of the reports of compliance to be filed in this matter that the country of origin or fabrication of the leather components of watchbands made in the United States from foreign skins (including alligator, sea turtle, seal, etc.) shall be deemed to be the country where such skins are finished but acceptance of such reports of compliance may be rescinded pursuant to § 3.61(d) of its Rules if the Commission subsequently determines that the country where the skins were taken and/or tanned are material facts and that they should be disclosed in the public interest; and in such event, the respondents shall be afforded 180 days after notice of such determination within which to comply therewith.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

THE SEEBURG CORPORATION

ORDER, OPINIONS, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SECTION 7 OF THE CLAYTON ACT

*Docket 8682. Complaint, Apr. 22, 1966—Decision—Apr. 10, 1969**

Order requiring a Chicago, Ill., manufacturer of vending machines to

*Paragraph D of order modified pursuant to a decision of the Court of Appeals, Sixth Circuit, 425 F.2d 124 (8 S.&D. 1146), December 10, 1970, 77 F.T.C. 1540.