

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of)	
)	
QUAKER STATE - SLICK 50, INC.,)	DOCKET NO. D-9280
a corporation,)	
)	
SLICK 50 MANAGEMENT, INC.,)	
a corporation,)	
)	
SLICK 50 PRODUCTS CORP.,)	
a corporation, and)	
)	
SLICK 50 CORP.)	
a corporation.)	

COMPLAINT

The Federal Trade Commission, having reason to believe that Quaker State - Slick 50, Inc., a corporation; Slick 50 Management, Inc., a corporation; Slick 50 Products Corp., a corporation; and Slick 50 Corp., a corporation, or their predecessors-in-interest ("respondents"), have violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH ONE: Respondent Quaker State - Slick 50, Inc. ("Quaker State - Slick 50"), is a Delaware corporation, with its office and principal place of business located at 1187 Brittmoore Road, Houston, Texas 77043. Quaker State - Slick 50 is a holding company for Slick 50 Management, Inc., and is the successor-in-interest to Slick 50, Inc., which was merged with and into Quaker State - Slick 50 on July 11, 1995.

Respondent Slick 50 Management, Inc. ("Slick 50 Management"), is a Delaware corporation, with its office and principal place of business located at 1187 Brittmoore Road, Houston, Texas 77043. Slick 50 Management is a wholly-owned subsidiary of Quaker State - Slick 50, and is a holding company for Slick 50 Products Corp., Slick 50 Corp., and the "Slick 50" trademark.

Respondent Slick 50 Products Corp. ("Slick 50 Products") is a Delaware corporation, with its office and principal place of business located at 1187 Brittmoore Road, Houston, Texas 77043. Slick 50 Products is a wholly-owned second-tier subsidiary of Quaker State - Slick 50.

Respondent Slick 50 Corp. is a Delaware corporation, with its office and principal place of business located at 1187 Brittmoore Road, Houston, Texas 77043. Slick 50 Corp. is a wholly-owned second-tier subsidiary of Quaker State - Slick 50.

PARAGRAPH TWO: Respondents have manufactured, advertised, promoted, offered for sale, sold and distributed various aftermarket motor oil additives (sometimes referred to as engine treatments) known by the product name Slick 50 to consumers. These products consist primarily of particles of the polymer polytetrafluoroethylene ("PTFE") suspended in a fully formulated motor oil.

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

PARAGRAPH FOUR: Respondents have disseminated or have caused to be disseminated advertisements for Slick 50, including, but not necessarily limited to, the attached Exhibits A-I. These advertisements contain the following statements and visual depictions:

A. A television advertisement for Slick 50:

- Video:** Key starting the ignition followed by metal file and metal rope grinding together.
- Announcer:** Every time you cold start your car without Slick 50 protection, metal grinds against metal in your engine.
- Video:** A key turning the ignition accompanied by sound of metal grinding.
- Announcer:** With each turn of the ignition you do unseen damage, because at cold start-up most of the oil is down in the pan.
- Video:** Shows a box of Slick 50, and then shows a bottle of Slick 50 being poured into a funnel.
- Announcer:** But Slick 50's unique chemistry bonds to engine parts. It reduces wear up to 50% for 50,000 miles.

[**Super:** Proven by Independent Lab Tests.]

Video: A large heavy ball is dropped down onto the car and demolishes it.

Announcer: So get Slick 50, while there's still time.

Video: Shows three different boxes of Slick 50 and then shows the demolished car.

Announcer: Slick 50's engine formula, the world's number one selling engine treatment.

[**Super:** Advanced Technology/Street Smart Science.]

(Exhibit A)

B. A television advertisement for Slick 50:

Video: Family is in a cemetery watching a car fall into a grave.

Announcer: There is nothing quite so tragic as an untimely loss.

Video: A bottle of Slick 50 is poured into a funnel.

Announcer: So protect the life of your car's engine with Slick 50.

[**Super:** Advanced Technology/Street Smart Science.]

The world's number one selling engine treatment.

(Exhibit B)

C. A radio advertisement for Slick 50:

Experts say up to 80% of engine wear takes place at start-up. They explain it this way... when you first start your car, the oil is down in the oil pan. It's a good ten seconds before it starts working again. Ten seconds of harsh, metal-to-metal wear. Slick 50 Engine Formula protects against that wear... by bonding the slipperiest stuff ever invented directly to those wear points. A special chemical package makes it happen... and nobody else has it.

So when you start your engine, Slick 50 is on the job even when your oil isn't. If you're serious about fighting wear, give your engine what it takes. Slick 50 Engine Formula.

(Exhibit C)

D. A promotional brochure for Slick 50:

LUBRICATION AND TODAY'S ENGINES

Today's engines are marvels of modern engineering...But there's a downside to this new technology. As operating conditions become more extreme, your motor oil can lose its ability to effectively lubricate the engine...it becomes obvious that under many conditions, even modern motor oil formulations may not provide the anti-wear protection you need.

. . .

**WHAT IT TAKES IS
SLICK 50 AUTOMOTIVE
ENGINE FORMULA**

Slick 50 Automotive Engine Formula is a technologically advanced automotive engine treatment that protects critical engine parts against wear...at start-up and through thousands of miles of punishing stop-and-go driving. Its unique and effective protection lasts through dozens of oil changes, for 50,000 miles. That's what it takes...and here's what it does.

- Reduces engine wear up to 50%
- Provides protection during crucial start-up period
- Protects during high-temperature, high-stress conditions
- Protection lasts for 50,000 miles

. . .

If you have Slick 50, what you have is a protective coating of PTFE bonded on there. (Expert endorser)

. . .

What makes Slick 50 Automotive Engine Formula different is an advanced chemical support package designed to bond a specially activated PTFE to the metal in your engine.
(Exhibit D)

E. Slick 50 product packaging:

PROVEN PROTECTION

At Start-Up: Slick 50 Automotive Engine Formula is best known for providing wear protection at start-up. In one tightly controlled sequence of start-stop tests conducted by a renowned independent testing laboratory, engines treated with Slick 50 showed a full 42 percent less wear on the piston rings than identical untreated engines. (See Chart 1)

. . .

Claims for Slick 50 Automotive Engine Formula are verified through these and other independent laboratory tests conducted at nationally recognized facilities monitored by the American Society for Testing and Materials (ASTM).

. . .

BENEFITS SHOWN IN INDEPENDENT TEST PROGRAMS

Reduces engine wear up to 50%
Provides protection at start-up
Protects in high temperature, high-stress conditions
Protects for 50,000 miles
(Exhibit E)

F. Slick 50 product packaging:

SLICK 50[.] THE ENGINE LIFE EXTENDER

SLICK 50 ADVANCED FORMULA **ENGINE TREATMENT**[.] Extends Engine Life . . .

Reduces friction, heat & wear

. . .

Since Slick 50 was first developed more than 15 years ago, it has been tested more than any other engine treatment. It's been proven to work.

. . .

WHY SLICK 50 IS BETTER

PROTECTS BETTER THAN ORDINARY MOTOR OIL

START UP PROTECTION

When you turn off your engine, virtually all your motor oil drains down into the pan, leaving critical parts unprotected. After a few hours, when you turn the key and drive, metal grinds against metal. This is

when up to 80 percent of all engine wear occurs.
THERE'S ONE SOLUTION. Slick 50's unique formula . . .
is proven to bond to vital engine parts, protecting
them better than ordinary motor oil.

. . .

MAKES ENGINES LAST LONGER

Less heat and wear on critical parts means better
long term performance and cooler running. This lowers
your risk of costly engine repairs, rebuilds, and
expensive breakdowns.

PROVEN THE BEST

. . .

50,000 MILE ENGINE WEAR TEST. . .

41% LESS WEAR ON TOP ROD BEARINGS

Industry recognized lab tests in real engines,
under real operating conditions, prove Slick 50
significantly reduces wear for 50,000 miles. Slick 50
is the only engine treatment to have tested, passed and
published the results of these stringent tests.
(Exhibit F)

G. Slick 50 promotional brochure:

Count on Slick 50 to:

- Reduce engine wear at start-up.
- Lower engine temperature by reducing friction.
- Improve horsepower.
- Increase gas mileage.
- Reduce toxic emissions.

. . .

Military specifications are MIL-L-2104-C MIL-L-46152-A.

. . .

TEST RESULTS CONFIRM MORE THAN 50% WEAR REDUCTION

. . .

It's performed in U.S. Government vehicles.
(Exhibit G) (English language) and (Exhibit H) (Spanish
language)

H. Slick 50 Home Page on Internet
("http://www.slick50.com"):

Slick 50 Automotive Engine Formula significantly reduces wear on critical engine parts:

- Protects the engine at start-up, when substantial engine wear occurs.
- Reduces wear on engine parts operating under conditions of boundary lubrication (that is, making metal-to-metal contact), including the first and second piston rings.
- Reduces engine wear by up to 50 percent for 50,000 miles.
- Long term, by reducing engine wear, Slick 50 Automotive Engine Formula can contribute to lower maintenance and repair costs and to extended engine life. By reducing ring wear, it also has the potential to reduce automotive emissions.

(Exhibit I)

PARAGRAPH FIVE: Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in PARAGRAPH FOUR, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-I, respondents have represented, directly or by implication, that:

- A. Automobile engines generally have little or no protection from wear at or just after start-up unless they have been treated with Slick 50.
- B. Automobile engines commonly experience premature failure caused by wear unless they are treated with Slick 50.
- C. Slick 50 coats engine parts with a layer of PTFE.
- D. Slick 50 meets military specifications for aftermarket motor oil additives.

PARAGRAPH SIX: In truth and in fact:

- A. Automobile engines generally do not have little or no protection from wear at or just after start-up, regardless of whether they have been treated with Slick 50. Most automobile engines achieve adequate oil flow soon after start-up. Even prior to full oil flow, most automobile engines using the grade and weight of motor oil recommended in the owner's manual and changed at

the recommended intervals are adequately protected against wear.

- B. It is uncommon for automobile engines to experience premature failure caused by wear regardless of whether they are treated with Slick 50. Engine wear, including wear at or just after start-up, is insufficient to cause engine failure within the life of most automobiles, when owners use the grade and weight of motor oil recommended in their owner's manual and change the oil at recommended intervals.
- C. Slick 50 does not coat engine parts with a layer of PTFE.
- D. Slick 50 does not meet military specifications for aftermarket motor oil additives.

Therefore the representations set forth in PARAGRAPH FIVE were, and are, false and misleading.

PARAGRAPH SEVEN: Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in PARAGRAPH FOUR, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-I, respondents have represented, directly or by implication, that:

- A. Compared to motor oil alone, Slick 50:
 - 1. Reduces engine wear.
 - 2. Reduces engine wear by more than 50%.
 - 3. Reduces engine wear by up to 50%.
 - 4. Reduces engine wear at start-up.
 - 5. Extends the duration of engine life.
 - 6. Lowers engine temperatures.
 - 7. Reduces toxic emissions.
 - 8. Increases gas mileage.
 - 9. Increases horsepower.

- B. One treatment of Slick 50 continues to reduce engine wear for 50,000 miles.
- C. Slick 50 has been used in a significant number of U.S. Government vehicles.

PARAGRAPH EIGHT: Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in PARAGRAPH FOUR, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-I, respondents have represented, directly or by implication, that at the time they made the representations set forth in PARAGRAPHS FIVE and SEVEN, respondents possessed and relied upon a reasonable basis that substantiated such representations.

PARAGRAPH NINE: In truth and in fact, at the time they made the representations set forth in PARAGRAPHS FIVE and SEVEN, respondents did not possess and rely upon a reasonable basis that substantiated such representations. Therefore, the representation set forth in PARAGRAPH EIGHT was, and is, false and misleading.

PARAGRAPH TEN: Through the use of the statements and visual depictions contained in the advertisements and promotional materials referred to in PARAGRAPH FOUR, including, but not necessarily limited to, the advertisements and promotional materials attached as Exhibits A-I, respondents have represented, directly or by implication, that:

- A. Tests prove that, compared to motor oil alone, Slick 50:
 - 1. Reduces engine wear by more than 50%.
 - 2. Reduces engine wear by up to 50%.
 - 3. Reduces engine wear at start-up.
- B. Tests prove that one treatment of Slick 50 continues to reduce engine wear for 50,000 miles.

PARAGRAPH ELEVEN: In truth and in fact:

- A. Tests do not prove that, compared to motor oil alone, Slick 50:
 - 1. Reduces engine wear by more than 50%.

2. Reduces engine wear by up to 50%.
 3. Reduces engine wear at start-up.
- B. Tests do not prove that one treatment of Slick 50 continues to reduce engine wear for 50,000 miles.

Therefore the representations set forth in PARAGRAPH TEN were, and are, false and misleading.

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

NOTICE

Notice is hereby given to each of the respondents hereinbefore named that the twelfth day of August, A.D., 1996, at 10:00 a.m. o'clock is hereby fixed as the time and the Federal Trade Commission Offices, 6th Street & Pennsylvania Avenue, N.W., Washington, D.C. 20580 as the place when and where a hearing will be had before an Administrative Law Judge of the Federal Trade Commission, on the charges set forth in this complaint, at which time and place you will have the right under said Act to appear and show cause why an order should not be entered requiring you to cease and desist from the violations of law charged in this complaint.

You are notified that the opportunity is afforded you to file with the Commission an answer to this complaint on or before the thirtieth (30th) day after service of it upon you. An answer in which the allegations of the complaint are contested shall contain a concise statement of the facts constituting each ground of defense; and specific admission, denial, or explanation of each fact alleged in the complaint or, if you are without knowledge thereof, a statement to that effect. Allegations of the complaint not thus answered shall be deemed to have been admitted.

If you elect not to contest the allegations of fact set forth in the complaint, the answer shall consist of a statement that you admit all of the material allegations to be true. Such an answer shall constitute a waiver of hearings as to the facts alleged in the complaint, and together with the complaint will provide a record basis on which the Administrative Law Judge shall file an initial decision containing appropriate findings and conclusions and an appropriate order disposing of the proceeding. In such answer you may, however, reserve the right to submit proposed findings and conclusions and the right to appeal the initial decision to the Commission under Section 3.52 of the Commission's Rules of Practice for Adjudicative Proceedings.

Failure to answer within the time above provided shall be deemed to constitute a waiver of your right to appear and contest the allegations of the complaint and shall authorize the Administrative Law Judge, without further notice to you, to find the facts to be as alleged in the complaint and to enter an initial decision containing such findings, appropriate conclusions and order.

The following is the form of order which the Commission has reason to believe should issue if the facts are found to be as

alleged in the complaint. If, however, the Commission should conclude from record facts developed in any adjudicative proceedings in this matter that the proposed order provisions as to Quaker State - Slick 50, Inc., a corporation; Slick 50 Management, Inc., a corporation; Slick 50 Products Corp., a corporation; and Slick 50 Corp., a corporation, might be inadequate to fully protect the consuming public, the Commission may order such other relief as it finds necessary or appropriate, including corrective advertising or other affirmative disclosure.

Moreover, the Commission has reason to believe that, if the facts are found as alleged in the complaint, it may be necessary and appropriate for the Commission to seek relief to redress injury to consumers, or other persons, partnerships or corporations, in the form of restitution and refunds for past, present, and future consumers and such other types of relief as are set forth in Section 19(b) of the Federal Trade Commission Act. The Commission will determine whether to apply to a court for such relief on the basis of the adjudicative proceedings in this matter and such other factors as are relevant to consider the necessity and appropriateness of such action.

ORDER

Definitions

For purposes of this order, the following definitions shall apply:

"Slick 50" shall mean the aftermarket motor oil additive known as Slick 50 Automotive Engine Formula, Slick 50 Advanced Formula Engine Treatment, or any Slick 50 trademarked product of substantially similar composition.

"Motor oil product" shall mean a product for use in conjunction with or in place of fully formulated motor oil.

"Competent and reliable scientific evidence" shall mean tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

I.

IT IS ORDERED that respondents Quaker State - Slick 50, Inc., Slick 50 Management, Inc., Slick 50 Products Corp., and Slick 50 Corp., corporations, their successors and assigns, and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, labeling, packaging, offering for sale, sale, or distribution of Slick 50, or any substantially similar motor oil product containing polytetrafluoroethylene (hereinafter "PTFE"), in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, in any manner, directly or by implication, that:

- A. Automobile engines generally have little or no protection from wear at or just after start-up unless they have been treated with such product;
- B. Automobile engines commonly experience premature failure caused by wear unless they are treated with such product; or
- C. Such product coats engine parts with a layer of PTFE.

II.

IT IS FURTHER ORDERED that respondents Quaker State - Slick 50, Inc., Slick 50 Management, Inc., Slick 50 Products Corp., and Slick 50 Corp., corporations, their successors and assigns, and their officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the manufacturing, advertising, labeling, packaging, offering for sale, sale, or distribution of Slick 50 or any other product for use in a motor vehicle, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

- A. Misrepresenting, in any manner, directly or by implication:
 - 1. That such product meets military specifications or the requirements, standards, or specifications of any other governmental or private organization; or
 - 2. The existence, contents, validity, results, conclusions, or interpretations of any test or study.

B. Making any representation, in any manner, directly or by implication:

1. That, compared to motor oil alone, such product:

- a) Reduces engine wear;
- b) Reduces engine wear by more than 50%, by up to 50%, or by any other quantity;
- c) Reduces engine wear at start-up;
- d) Extends the duration of engine life; or
- e) Lowers engine temperatures, reduces toxic emissions, increases gas mileage, or increases horsepower;

2. That one or any other number of treatments of such product reduces engine wear for 50,000 or any other number of miles;

3. That such product has been used in a significant number or any other number of U.S. Government vehicles; or

4. Regarding the performance, benefits, efficacy, attributes or use of such product,

unless, at the time of making such representation, respondents possess and rely upon competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the representation.

III.

IT IS FURTHER ORDERED that, for five (5) years after the last date of dissemination of any representation covered by this order, respondents, their successors and assigns, shall maintain and upon request make available to the Federal Trade Commission for inspection and copying:

A. All labeling, packaging, advertisements and promotional materials setting forth any representation covered by this order;

- B. All materials that were relied upon to substantiate any representation covered by this order; and
- C. All test reports, studies, surveys, demonstrations or other evidence in their possession or control, or of which they have knowledge, that contradict, qualify, or call into question such representation or the basis upon which respondents relied for such representation, including complaints from consumers or governmental entities.

IV.

IT IS FURTHER ORDERED that respondents, their successors and assigns, shall notify the Federal Trade Commission at least thirty (30) days prior to any proposed change in the respondents such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising under this order.

V.

IT IS FURTHER ORDERED that respondents, their successors and assigns, shall forthwith distribute a copy of this order to each of their operating divisions and to each of their officers, agents, representatives, or employees engaged in the preparation and placement of advertisements, promotional materials, product labels or other such sales materials covered by this order, and shall obtain from each such person or entity a signed statement acknowledging receipt of the order.

VI.

IT IS FURTHER ORDERED that respondents, their successors and assigns, shall:

- A. Within thirty (30) days after the date of service of this order, send by first class certified mail, return receipt requested, to each purchaser for resale of Slick 50 with which respondents have done business since January 1, 1993, notice of this order. The mailing shall not include any other documents;
- B. In the event that respondents receive any information that subsequent to its receipt of notice of this order any purchaser for resale is using or disseminating any advertisement or promotional material that contains any representation prohibited by this order, respondents shall immediately notify the purchaser for resale that respondents will terminate the use of said purchaser for resale if it continues to use such advertisements or promotional materials; and
- C. Terminate the use of any purchaser for resale about whom respondents receive any information that such purchaser for resale has continued to use advertisements or promotional materials that contain

any representation prohibited by this order after receipt of the notice required by subparagraph B of this part.

VII.

IT IS FURTHER ORDERED that respondents, their successors and assigns, shall, for five (5) years after the last correspondence to which they pertain, maintain and upon request make available to the Federal Trade Commission for inspection and copying:

- A. Copies of all signed statements obtained from persons or entities pursuant to part V of this order;
- B. Copies of all notification letters sent to purchasers for resale pursuant to subparagraph A of part VI of this order; and
- C. Copies of all communications with purchasers for resale pursuant to subparagraphs B and C of part VI of this order.

VIII.

IT IS FURTHER ORDERED that this order will terminate twenty years from the date of its issuance, or twenty years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; provided, however, that the filing of such a complaint will not affect the duration of:

- A. Any paragraph in this order that terminates in less than twenty years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this paragraph.

Provided further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this paragraph as though the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

IX.

IT IS FURTHER ORDERED that respondents, their successors and assigns, shall, within sixty (60) days after service of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied or intend to comply with this order.

IN WITNESS WHEREOF, the Federal Trade Commission has caused this complaint to be signed by its Secretary and its official seal to be hereto affixed at Washington, D.C., this twelfth day of July, 1996.

By the Commission.

Donald S. Clark
Secretary

SEAL