

Complaint

117 F.T.C.

IN THE MATTER OF

PERSONAL PROTECTIVE ARMOR ASSOCIATION, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT*Docket C-3481. Complaint, Mar. 17, 1994--Decision, Mar. 17, 1994*

This consent order prohibits, among other things, a Maryland-based association for manufacturers of soft body armor (bullet-proof vests) from entering into any agreement with its members that would restrict them from engaging in comparative advertising or offering product-liability insurance, guarantees or warranties on soft body armor, and from placing any restraints on soft body armor advertising, that is not deceptive or false, including restricting information about prices, product availability, and body armor performance characteristics.

*Appearances*For the Commission: *Paul J. Nolan and Deborah E. Klein.*For the respondent: *Richard Feinstein, McKenna & Cuneo,*
Washington, D.C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. 41 *et seq.*, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the named respondent has violated the provisions of Section 5 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, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Personal Protective Armor Association ("PPAA") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its mailing address at 3623 Falls Road, Baltimore, Maryland.

PAR. 2. Respondent is a trade association of fiber and soft body armor manufacturers founded in 1975. A significant portion of respondent's activities furthers its members' pecuniary interests. By

virtue of its purposes and activities, respondent is a corporation within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 3. Most of respondent's members are engaged in the business of producing and selling soft body armor. Some are also engaged in the sale of ballistic resistant fibers. Except to the extent that competition has been restrained as herein alleged, most of respondent's members have been and now are in competition among themselves.

PAR. 4. The acts and practices of the respondent, including those herein alleged, are in or affect commerce within the meaning of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45.

PAR. 5. Consumers of soft body armor, usually federal, state, and local law enforcement agencies, seek various price and non-price terms as part of a competitive bidding process. In selecting a body armor manufacturer, consumers consider factors such as quality of the product, price, and other terms of sale such as products liability insurance and certification that the soft body armor passes applicable performance standards. Advertising, including comparative advertising and advertising of warranties and products liability insurance, enables firms to inform consumers about these factors. Such advertising benefits consumers by increasing the information available to them and promoting competition among soft body armor manufacturers.

PAR. 6. During some periods, from 1986 to the present, PPAA has maintained a policy against comparative advertising, including a policy declaring it unethical for any member to make any representation that another member's vests have failed certification testing. This policy applies even to truthful representations and operates to discourage or prevent a manufacturer from engaging in comparative advertising or otherwise representing that its soft body armor possesses qualities superior to that of other members.

PAR. 7. During some periods, from 1986 to the present, PPAA adopted a policy that its members were to respond uniformly to bids by not offering products liability insurance in competing for contracts from law enforcement agencies. The aim of the respondent was to improve its members' profits by no longer using products liability insurance, or the amount of such insurance, as a tool to win contracts to supply soft body armor.

