

Syllabus

IN THE MATTER OF
ALLIED RADIO CORP.COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 5520. Complaint, Dec. 1, 1947—Decision, Nov. 15, 1949*

Although the functional abbreviations or names and technical trade numbers used in radio advertisements to designate various tubes or other devices may be clearly understood to define function exactly, by those members of the public engaged in the manufacture, assembly, and repair of radio sets, and by those technically trained in electronics, such abbreviations, names and numerals are not so understood by the remainder of the purchasing public, which believes that the numerical tube complement of a radio-receiving set indicates its power, sensitivity, and volume, rather than its refinement, and that the greater the number of tubes in a receiving set, the greater will be its power of detecting, receiving, and amplifying radio signals.

Where a corporation engaged in the interstate sale and distribution of radio sets, radio tubes, component and accessory parts and like products to dealers for resale, and directly to the purchasing public; through statements in catalogs and other literature circulated by mail among 500,000 to 600,000 prospective purchasers annually throughout the United States—

Represented, directly or by implication, that the tubes contained in its receiving sets were necessary and fully functioning tubes, performing the recognized and customary functions of radio receiving-set tubes in the detection, reception, and amplification of radio signals, through such language as "You get full 6-tube efficiency and power with this tube lineup," etc., and "The 5-tube circuit (including rectifier) is licensed * * *. You get full efficiency and power from the following tube lineup," etc., followed by descriptive abbreviations and technical-trade numbers;

The facts being that one of the tubes contained in the sets thus advertised was a "rectifier" tube, which, while serving the auxiliary function of changing alternating current to direct current, without which conversion the commercially sold home radio set will not operate, did not perform the primary function of detecting, receiving, and amplifying radio signals;

With tendency and capacity to mislead a substantial portion of the purchasing public into the erroneous belief that said sets possessed capacities and qualities which they did not in fact possess, and thereby to induce its purchase of substantial quantities thereof:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice of the public and constituted unfair and deceptive acts and practices in commerce.

While the complaint in the instant proceeding charged respondent with misrepresenting through its advertisements the prices at which it regularly sold its sets or authorized dealers to sell the same, and the prices at which it sold or authorized its dealers to sell said products as special or reduced, the Commission found such charges not supported by the record.

