

## Decision

## IN THE MATTER OF

## P. SORENSEN MANUFACTURING CO., INC.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2 (a) OF THE  
CLAYTON ACT

*Docket 6052. Complaint, Oct. 16, 1952—Decision, June 29, 1956*

Order requiring a manufacturer of automotive products and supplies, with factory at Woodside, N. Y., and warehouses in ten principal cities of the United States, to cease discriminating in price between two classes of wholesale customers competing with each other in three Texas cities through use of

- (1) A "warehouse distributor's sales agreement" applying to some 50 customers accounting for 25% to 30% of respondent's domestic sales based upon minimum annual purchases of \$12,000 net, who were granted a 20% discount off the current distributor's prices on each factory purchase and 10% on each warehouse purchase; and
- (2) An "authorized distributor's agreement" made with some 450 to 500 other customers who purchased approximately 60% of respondent's products, providing that the customer purchase a minimum of \$1,200 of respondent's ignition parts line annually, in consideration of which he received a 10% discount from the current distributor price and a "performance rebate" of 3% on annual purchases of \$3,000 to \$5,999, and 5% on \$6,000 or more;

Though tabulations made of respondent's invoice data in the three cities showed no general controlling principle in respondent's aforesaid classification of customers whose individual purchases actually varied widely from the contract requirements.

*Mr. Eldon P. Schrup* and *Mr. Francis C. Mayer* for the Commission.

*Mr. James W. Cassidy*, of Washington, D. C., for respondent.

## INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The respondent in this proceeding is charged with having violated subsection (a), Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C., Title 15, § 13) by discriminating in price between its customers competitively engaged in the resale of automotive products manufactured and sold by it. After the filing of an answer to the complaint, hearings were held at which testimony and other evidence in support of and in opposition to the allegations of the complaint were received, duly recorded and later filed in the office of the Commission. Proposed findings of facts and conclusions have been submitted by counsel.

Based upon the entire record, the following findings of fact and conclusions are made and order issued.

#### FINDINGS OF FACT

1. Respondent, P. Sorensen Manufacturing Co., Inc. (hereinafter referred to as Sorensen), is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with principal office and place of business located at 32-31 Fifty Seventh Street, Woodside, New York.

2. Sorensen is now and for several years last past has been engaged in the manufacture, sale and distribution of automotive products and supplies which are offered by respondent in three classifications—(a) ignition service parts, (b) carburetor parts and kits, (c) cable, wire, and accessories—and are sold for use, consumption or resale within the United States and the District of Columbia. Sorensen causes said products and supplies so sold to be shipped and transported from the State or States of location of its places of business to the purchasers thereof located in States other than the State or States wherein said shipment or transportation originated. Sorensen maintains, and at all times mentioned herein has maintained, a substantial course of trade and commerce in said products and supplies among and between the various States of the United States and in the District of Columbia.

3. Sorensen, in the course and conduct of its business, as aforesaid, is now, and since June 19, 1936, has been, engaged in active competition with other concerns manufacturing, selling, and distributing comparable automotive products and supplies in commerce. Many of respondent's customers who purchase respondent's products for resale are competitively engaged with each other in the resale of said products. Within each classification or line, respondent's products are of like grade and quality.

4. Respondent maintains warehouse stocks of its products in the cities of Atlanta, Georgia, Boston, Massachusetts, Chicago, Illinois, Cleveland, Ohio, Dallas, Texas, Kansas City, Missouri, Los Angeles and San Francisco, California, Minneapolis, Minnesota, and Seattle, Washington. It employs fifteen salesmen and uses six factory representatives. During 1951, which has been taken as a sample or test year, its products were sold to more than 500 wholesaler customers to the extent of \$1,300,000, of which 75% represented sales of ignition service parts, the remaining 25% being about equally divided between the other two classifications.

5. During 1951, direct-buying wholesaler customers were permitted to procure merchandise either from respondents' factory located in Woodside, New York, or from one of respondent's warehouses. On all shipments from respondent's factory of purchases amounting to 100 pounds or more, respondent paid the freight charges. The evidence shows that an average shipment of 100 pounds' weight had a purchase value of approximately \$173. All customers were granted a cash discount of 2%, 10th prox. Otherwise respondent's customers were divided by contract arrangement into three groups.

There were about fifty customers, who purchased from 25% to 30% of respondent's domestically marketed products, who operated under a Warehouse Distributors' Sales agreement. This is a non-exclusive contract which provides that the purchaser will maintain an adequate stock of all Sorensen lines based upon minimum annual purchases of \$12,000 net, and will dispose of more than 50% of such purchases to Sorensen Approved Jobbers. Under this contract, the purchaser receives 20% discount off the current distributor price on each factory purchase, and 10% discount on each warehouse purchase.

Some 450 or 500 other customers, who purchased approximately 60% of respondent's products, operated under another non-exclusive contract, known as the Authorized Distributor Agreement, which provides that the purchaser will actively promote the sale of respondent's ignition-parts line and purchase \$1,200 or more of these parts annually. In consideration thereof he is extended a 10% discount from the current distributor price, and is granted a performance rebate of 3% if his accumulated annual purchases total \$3,000 to \$5,999, and 5% if such purchases amount to \$6,000 or more. The 10% discount applies on all purchases, whether from factory or warehouse; the performance rebates apply only on purchases shipped from the factory, although warehouse shipments are counted in computing total volume. Performance rebates are granted at the end of each year by the issuance of a merchandise-credit applicable to future purchases.

There are about fifty other customers who operate under a Special Distributor Sales Agreement, which provides for no minimum annual purchases, but requires that the distributor carry in stock and actively promote the sale of the entire line of respondent's ignition parts. He is allowed a performance rebate of 10% on all purchases if the total volume is \$1,200 or more. This also is covered by issuance of a merchandise-credit at the year's end, applicable on future purchases. Although the agreements show that customers in this group were granted discounts and performance rebates less favorable than were

granted to the other two groups, little note of this fact was taken in the record, and the evidence as to respondent's transactions with members of this group is negligible.

6. There was also, in 1951, another contract group known as authorized jobbers, who operated under an Authorized Jobber Agreement supplied by respondent to its warehouse distributors for their convenience in formalizing their understanding with the jobbers who were their customers. The agreement is between the authorized jobber and a warehouse distributor, but requires respondent's approval. It provides that the jobber will carry an adequate stock of respondent's items "to serve his trade or a minimum of \$300 net," will actively promote the sale of respondent's merchandise, and will permit the checking of his stock at any time by a Sorensen or distributor representative. He is permitted to buy merchandise from the distributor at respondent's current Distributor price, upon such terms of payment as conform to the warehouse distributor's established policy.

Counsel supporting the complaint contend that sales under this agreement are actually sales made by respondent rather than by the warehouse distributors, and that authorized jobbers are purchasers from respondent within the meaning of the Clayton Act. In support of this contention counsel cites the Commission's decision of April, 1955, in the matter of *Whitaker Cable Corporation*, Docket 5722, in which the Commission refers to decisions in the matters of *Champion Spark Plug Co.*, Docket 3977 (1953) and *Kraft Phenix Cheese Corp.*, 25 F. T. C. 537 (1937). In those three cases the facts were more fully developed in this respect than they are in the instant proceeding. The present record is sketchy and inconclusive on this issue. Moreover there are other shortcomings in the record—lack of substantial evidence of competition between the authorized jobbers and respondent's direct-buying customers, lack of substantial evidence of competitive injury, and other failures of proof of such an extent that no conclusion can be reached in this proceeding that any violation of Section 2 (a) of the Clayton Act arose out of the respondent-authorized jobber relationship.

7. There appears to have been one other group of customers who were not bound by any contract, but were permitted to make purchases from respondent. They are referred to in respondent's invoices, as shown by the tabulation hereinafter set out, as "Net" buyers. Some of them received no discount from respondent's current distributor prices, others received 10% discount, and one received a discount

which amounted to 2.70% of his total purchases. However, the record as to this group of purchasers is in all other respects inconclusive, and no finding can be made that respondent's transactions with this group of buyers constitutes a violation of Section 2 (a) of the Clayton Act.

8. The competitive injury charged in this proceeding is at the secondary level, arising out of differences in respondent's selling prices to its wholesaler customers, some of whom suffered competitively as a result of such price differences. Substantial evidence was presented as to price differentials and resulting injury only as it affected the members of two groups of respondent's contract purchasers, warehouse distributors and authorized distributors, who compete with each other in the trade areas in which they mutually operate. The trade areas in such instances include the cities in which such wholesaler customers are located and the surrounding communities within a radius of from 25 to 75 miles.

The differences in net purchasing prices at which members of these two groups may buy respondent's products are inherent in the contracts hereinabove described, and are shown by tabulations and computations which were made by the Commission's economic staff from data taken from respondent's invoice records of business transacted in 1951. To conserve time and expense, testimony and other evidence were taken in this proceeding only in New York, Washington, D. C., Dallas, San Antonio and Houston. For the same reason tabulations and computations were limited to data pertaining to selected cities, and only such portion of that data as relates to transactions in the trade areas of Dallas, San Antonio and Houston is shown herein.<sup>1</sup> A comparison of sales, discounts and rebates to respondent's customers in these three areas is shown as follows:

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<sup>1</sup> Included in the complete tabulation are data of respondent's 1951 transactions with wholesaler customers in the following other cities: Berkeley, Burbank, North Hollywood, Long Beach, Los Angeles, Lynwood, Oakland, Richmond, Sacramento, San Fernando, San Francisco and San Leandro, California; Portland, Oregon; Salt Lake City, Utah; and Seattle and Spokane, Washington.

## Findings

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Comparison of sales, discounts and rebates granted by Sorensen to wholesaler customers in specified localities during the year 1951

Customer and location (1)	Classification <sup>1</sup> (2)	Sales at list price (3)	Discounts and rebates allowed on sales		Shipments	
			Amount (4)	Percent (5)	Factory amount (6)	Warehouse amount (7)
DALLAS						
Ashby-Garrett Auto Supply.....	Net	\$13.20				\$13.20
Automotive Appliance Co.....	Net	27.55				27.55
Carter Auto Supply.....	Net	53.19				53.19
Dave Crockett Supply Co.....	Net	199.49	\$5.39	2.70	\$25.42	171.07
Gates & Warner Auto Parts Co.....	AD	1,068.93	106.36	9.95		1,068.93
Greater Dallas Automotive.....		119.88	10.66	8.89		119.88
Henderson Auto Parts.....	AD	1,842.70	182.13	9.88	451.65	1,391.05
Leach Auto Supply.....	WD	9,695.34	1,611.17	16.62	6,530.19	3,165.15
Lenamond Auto Parts.....	AD	528.39	52.46	9.93		528.39
L. D. McCorkle Co.....	Net	19.45				19.45
McMillen Auto Parts.....	WD	1,595.91	206.14	12.92	470.54	1,125.37
Motor Supply Co.....	Net	16.88	1.69	10.01		16.88
National Auto Parts Exchange.....	AD	3,510.24	441.29	12.57	3,389.03	121.21
Terry Automotive Supply.....	Net	6.96				6.96
HOUSTON						
Airline Auto Supply.....	AD	2,493.01	438.65	12.56	3,309.63	183.38
Al's Auto Parts.....	AD	3,508.74	439.17	12.52	3,340.41	168.33
Althaus Motor Parts.....	AD	2,467.21	244.74	9.92	2,039.61	427.60
Anchor Automotive Supply Co.....	AD	725.66	72.30	9.96	263.43	462.23
Anderson Auto Supply.....	AD	332.65	33.27	10.00	332.65	
Camet Automotive Supply Co.....	AD	2,805.91	279.84	9.97	2,417.07	388.84
Lester Battery & Electric Co.....	Net	90.59			90.59	
Marlin Automotive Supply Co.....	AD	426.47	41.52	9.74	426.47	
Milam Supply Company.....	WD	18,036.10	\$3,587.40 \$377.85	19.89	18,032.50	3.60
E. J. Quade Auto Supply.....	AD & Net	177.54	14.38	8.10	33.88	143.66
Schuman Auto Supply, Inc.....	WD	404.00	80.80	20.00	404.00	
Texas Parts and Supply Co., Inc.....	WD	1,809.10	354.82	19.61	1,756.11	52.99
SAN ANTONIO						
A. A. Auto Supply Co.....	AD & WD	10,225.37	1,793.10	16.66	10,080.17	145.20
Alamo Auto Electric & Brake Co.....	WD	4,287.63	845.99	19.73	4,287.63	
Bowen Auto Parts & Machine Co.....	WD	8,083.88	1,605.59	19.86	8,083.88	
Chapman Auto Parts.....	AD	8,144.65	1,147.26	14.09	7,709.50	435.15
Colbatti Auto Supply Co.....	Net	71.30	7.13	10.00		71.30
Motor Machine & Parts Co.....	WD	3,103.80	614.27	19.79	3,074.80	29.00
H. H. Roper Auto Parts.....	AD	442.38	44.04	9.96	45.99	396.39
Stille Auto Supply.....	AD	2,568.47	255.74	9.96	2,528.66	39.81

<sup>1</sup> Key to Customer Classification:

AD—Authorized Distributor.

WD—Warehouse Distributor.

Net—Non-Contract Customers.

<sup>2</sup> \$377.85 rebate allowed on redistribution to AD accounts.

9. The tabulation shows that the bulk of purchases were factory-shipped. This is as would be expected. Respondent pays freight charges when any such shipment amounts to 100 pounds or more; warehouse distributors receive 20% discount on factory purchases, only 10% discount on warehouse shipments; authorized distributors purchasing \$3,000 or more of respondents' products annually receive performance quantity rebates on factory purchases, none on warehouse purchases.

The tabulation shows no general controlling principle in respondent's classification of customers. Although the Warehouse-Distributor

contracts require a customer in that category to purchase \$12,000 in parts annually, only one of eight warehouse distributors listed in the three cities met that requirement; one purchased as little as \$404 worth of merchandise. Among the fourteen authorized distributors, eight exceeded the required annual purchases of \$1,200 or more, and had a higher volume of purchases than some of the warehouse distributors in the same area. In each of the three cities the second-largest purchaser was an authorized distributor.

10. Price differences are determined by the differences in discounts and rebates allowed respondent's various customers, the net price of each customer being the distributor list price shown in column (3) of the tabulation minus the discounts and rebates shown in column (4).

In Dallas the warehouse distributor who made the largest purchases received discounts amounting to 16.62%; the authorized distributor who made the next largest purchases was given only 12.57% discount. In Houston a warehouse distributor whose total purchases amounted to only \$1,809 enjoyed discounts of 19.61%, while the largest-buying authorized distributor, who bought \$3,508 worth of respondent's merchandise, received but 12.52% discount. In San Antonio two customers purchased almost equal amounts—one, a warehouse distributor, on purchases of \$8,083, received 19.86% discount, while the other, an authorized distributor whose purchases were \$8,144, received 14.09% discount. The differentials in these three instances were 4.05%, 7.09% and 5.77% respectively, all favoring warehouse distributors. Other comparisons readily present themselves. Considering purchases amounting to \$1,000 or more, discounts varied from 9.88% to 16.62% in Dallas, from 9.92% to 19.89% in Houston, and from 9.96% to 19.86% in San Antonio—differentials of 6.74%, 9.97% and 9.90% respectively.

11. The economic effect of the price differences resulting from respondent's pricing, discount and rebate practices has been and is to injure, destroy, prevent, and thus substantially to lessen competition. It was the testimony of many competing customers of respondent that their margin of profit is small, that they order from the factory whenever possible to save freight charges, and that they take advantage of the 2% cash discount as a matter of financial necessity because failure to do so would seriously impair profits. Obviously, if the taking or losing of a 2% cash discount is enough seriously to affect profits, cost differences varying up to 9.97% could be disastrous.

There is evidence in the record that in some instances resale prices were reduced and custom gained because of such discounts. But the Commission and the courts have said that price reduction is but one form of competition. Additional services to customers, use of addi-

tional salesmen to call on customers, enlarged or improved facilities, all made possible by larger profits, may enable favored distributors to stay in business and prosper, at the expense of less-favored competitors. Net cost of merchandise purchased for resale is a major factor in determining margin of profit, and any preferential discount that can be obtained by any one of respondent's wholesaler customers contributes materially to his ability to compete and to succeed in the resale of respondent's products. This statement, supported by substantial, reliable, probative evidence in this proceeding, seems to be so simple and reasonable as to be axiomatic, and remains true even though the lower cost of acquisition may not be reflected in lower resale prices.

12. No cost justification for price or discount and rebate differentials was offered in this proceeding, nor was there any attempt on the part of the respondent to show that the lower prices to some customers were made to meet an equally low price offered to such purchasers by a competitor of respondent.

#### CONCLUSIONS

1. Respondent's automotive products and supplies purchased by its wholesaler customers for resale are of like grade and quality.

2. Respondent's differing discounts and rebates result in substantially higher net purchase prices being paid by some customers who purchase respondent's products for resale than are paid for such products by other competing customers.

3. Respondent's discriminatory prices, when reflected in the resale price of said products, enable favored distributors to attract business away from non-favored distributors, or force the non-favored distributors to resell at a substantially reduced profit; when respondent's suggested resale prices are used, these discriminatory prices enable the favored distributors to resell said products at a substantially higher profit margin than that obtainable by the non-favored distributors, and thus render them financially able to compete more effectively than the non-favored distributors in such resale.

4. The higher net purchase prices paid by some of the wholesaler purchasers of respondent's products are such as tend to, and do, injure, destroy or prevent competition between said purchasers and other wholesaler purchasers who purchase and competitively resell such products.

5. The aforesaid discriminations in price constitute violations of subsection (a) of Section 2 of the Clayton Act, as amended. Therefore,

*It is ordered*, That respondent P. Sorensen Manufacturing Co., Inc., a corporation, and its officers, representatives, agents and em-

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ployees, directly or through any corporate or other device, in or in connection with the sale, for replacement purposes, of automotive products and supplies in commerce, as "commerce" is defined in the Clayton Act, do forthwith cease and desist from discriminating, directly or indirectly, in the price of such automotive products and supplies of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser who, in fact, competes in the resale and distribution of said products with the purchaser paying the higher price.

## OPINION OF THE COMMISSION

By GWYNNE, Chairman:

This is an appeal by respondent from an initial decision and an order under Section 2 (a) of the amended Clayton Act.

Respondent, a corporation, with its principal place of business in Woodside, New York, is engaged in the manufacture, sale and distribution of automotive products and supplies, which are classified as follows: (a) ignition service parts, (b) carburetor parts and kits, and (c) cable, wire, and accessories. Shipments are made from the factory and also from warehouses located in various parts of the country including Dallas, Texas.

Respondent sells to customers who may be classified in accordance with their contracts or arrangements with respondent as follows: (1) warehouse distributors, (2) authorized distributors, (3) customers operating under a special distributors sales agreement, (4) customers operating under an authorized jobbers agreement, and (5) customers known as "net" buyers.

For reasons set out in his initial decision, the hearing examiner found substantial evidence as to price differentials and resulting injury only as it affected the members of the first two groups.

Evidence introduced related to respondent's transactions for the year 1951 principally with wholesale customers in three Texas cities. The evidence shows that about 50 of respondent's customers operated under a warehouse distributor's sales agreement. Their total purchases amounted to from 25% to 30% of respondent's products sold in the domestic market. Under the terms of this written contract, the customers agreed to (1) maintain adequate stock of all Sorensen lines based upon minimum annual purchases of \$12,000 net, and (2) to dispose of more than 50% of such purchases to Sorensen approved jobbers. The contract bound respondent to pay 20% discount off the current distributor's prices on each factory purchase and 10% on each warehouse purchase.

About 450 to 500 customers buying approximately 60% of respondent's products operated under an authorized distributor's agreement. This contract required the purchaser to actively promote the sale of respondent's ignition parts line and to buy at least \$1,200 worth of these parts annually. Respondent allowed him a 10% discount and a "performance rebate" of 3% if his accumulated annual purchases were between \$3,000 and \$6,000, and 5% if such purchases were over \$6,000. The 10% discount applies on all purchases, whether from factory or warehouse; the performance rebates apply only on purchases shipped from the factory although warehouse shipments are counted in computing total volume. Performance rebates were granted at the end of each year by the issuance of a merchandise credit applicable to future purchases.

On all shipments from respondent's factory of purchases amounting to 100 pounds or more, respondent paid the freight charges. All customers were allowed a cash discount of 2%, 10th prox.

The two classes of customers involved here, namely, the warehouse distributors and the authorized distributors, compete with each other in the trade areas in which they mutually operate, which trade areas include the cities in which such wholesaler customers are located and the surrounding communities within a radius of from 25 to 75 miles.

The initial decision contains a chart entitled, "Comparison of Sales Discounts and Rebates Granted by Sorensen to Wholesale Customers in Specified Localities During the Year 1951." The three cities are Dallas, Houston, and San Antonio, all in Texas. These charts and others appearing in the record were prepared by a Commission accountant from the books and records of the respondent.

For our purposes, the results of these tabulations of figures are sufficiently set out in the following statements in the initial decision:

The tabulation shows no general controlling principle in respondent's classification of customers. Although the Warehouse-Distributor contracts require a customer in that category to purchase \$12,000 in parts annually, only one of eight warehouse distributors listed in the three cities met that requirement; one purchased as little as \$404 worth of merchandise. Among the fourteen authorized distributors, eight exceeded the required annual purchases of \$1,200 or more, and had a higher volume of purchases than some of the warehouse distributors in the same area. In each of the three cities the second-largest purchaser was an authorized distributor.

Price differences are determined by the differences in discounts and rebates allowed respondent's various customers, the net price of each customer being the distributor list price shown in column (3) of the tabulation minus the discounts and rebates shown in column (4).

In Dallas the warehouse distributor who made the largest purchases received discounts amounting to 16.62%; the authorized distributor who made

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the next largest purchases was given only 12.57% discount. In Houston a warehouse distributor whose total purchases amounted to only \$1,809 enjoyed discounts of 19.61%, while the largest-buying authorized distributor, who bought \$3,508 worth of respondent's merchandise, received but 12.52% discount. In San Antonio two customers purchased almost equal amounts—one, a warehouse distributor, on purchases of \$8,083, received 19.86% discount, while the other, an authorized distributor whose purchases were \$8,144, received 14.09% discount. The differentials in these three instances were 4.05%, 7.09% and 5.77% respectively, all favoring warehouse distributors. Other comparisons readily present themselves. Considering purchases amounting to \$1,000 or more, discounts varied from 9.88% to 16.62% in Dallas, from 9.92% to 19.8% in Houston, and from 9.96% to 19.86% in San Antonio—differentials of 6.74%, 9.97% and 9.90% respectively.

Respondent first argues that "the record does not contain reliable, probative and substantial evidence establishing the substantiality of injurious competitive effects, actual or reasonably probable, in the secondary line of commerce."

Specifically, it argues that the tabulations and computations purporting to show the percentage difference in net purchasing prices to the two groups are inadequate for such purpose. The reasoning on this point may be briefly summarized as follows:

The products sold consisted of three distinct, different lines of products comprising more than 52 entirely different types, with different designs and functional uses and intended for different makes and models of motor vehicles; that many of the different types do not compete with each other; that the evidence does not show the names and locations of any two purchasers who purchased the same type of automotive products of like grade and quality at different prices; that some of the differences depended upon whether the products were shipped from the factory or from a warehouse which was a choice at the option of the purchaser.

It is, of course, true that the tabulations do not show the exact differentials on any particular type of automotive product, any particular purchase, or any particular shipment. The figures show averages arrived at from an extensive examination of the books and records of the corporation and by the application of the usual rules of accounting. All of the purchasers were engaged in substantially the same line of endeavor, to wit, the buying and selling of such parts as the varying needs of their own customers might demand. This made necessary the stocking of many different items. To require the discount, rebate or price history of each separate item or a showing of its individual effect would carry us beyond the limitations of practical bookkeeping. The accountant, however, did make an examination of the respondent's invoices to determine the particular types of products sold to the various wholesalers in the three Texas cities.

The results indicate that a number of customers bought a substantial number of the same items.

The general situation here is similar to that considered in the matter of Moog Industries, Inc., Docket 5723, where the Commission's opinion said:

Respondent's customers do not purchase respondent's products as individual items. They purchase them as part of a line designed to supply the needs of garages and others to whom the products are resold. The rebates were not granted on the basis of the individual items purchased but on the basis of the total dollar purchases of a particular line. The price differentials involved did not arise from any difference in the grade or quality of the products sold to different customers. Instead they arose from varying rebates on an entire line.

Respondent next claims that even assuming that different net prices have been shown, the evidence is not sufficient to establish the substantiality of injury, either actual or reasonably probable, in the second line of commerce.

It seems to be respondent's view that the hearing examiner presumed injury from the mere finding of price differentials—in other words, that he applied a *per se* doctrine of injury flowing automatically and certainly from price differences.

We do not so construe the initial decision. The initial decision, and also that of the Commission, is based on the evidence in the record, together with the inferences and conclusions which may properly be drawn therefrom.

No claim is made that the differences can be cost justified or that they were due to lawful attempts to meet competition. The sole question at this point has to do with the sufficiency of the evidence to establish the reasonable probability of injury.

Considerable evidence was introduced showing the general situation under which the wholesalers in the three Texas cities operated. In general they were small businesses wholesaling automotive parts to garages, trucking companies, service stations, and sometimes to brokers. Their field of operation was relatively small, being confined to the city of their business location and a surrounding area included within a radius of 25 to 75 miles. They sold over the counter, by telephone with accompanying delivery, or through outside salesmen, although, in some instances, not all of these methods of sale were utilized. A substantial proportion of the business consisted of over the counter transactions. They employed from one to seven salesmen and the volume of sales in 1951 for the different establishments varied from \$7,000 to \$250,000.

The situation here is somewhat similar to that involved in the *FTC v. Morton Salt Company* (1948), 334 U.S. 37. There, a number of stores, both small and large, were selling a single homogeneous prod-

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uct, to wit, salt. They were competing in a relatively small area under substantially the same conditions. There appeared to be considerable evidence of actual injury in the record. Nevertheless, the competitive situation of the different retailers of salt was such as to lead Mr. Justice Black to make, in the majority opinion, the following statement:

It would greatly handicap effective enforcement of the Act to require testimony to show that which we believe to be self-evident, namely, that there is a "reasonable possibility" that competition may be adversely affected by a practice under which manufacturers and producers sell their goods to some customers substantially cheaper than they sell like goods to the competitors of these customers. This showing in itself is sufficient to justify our conclusion that the Commission's findings of injury to competition were adequately supported by evidence.

The late Mr. Justice Jackson dissented from the use of the word "possibility" instead of "probability." Speaking of the general competitive situation, he said:

Even applying the stricter test of probability, I think the inference of adverse effect on competition is warranted by the facts as to the quota discounts. It is not merely probable but I think it is almost inevitable that the further ten-cent or fifteen-cent per case differential in net price of salt between the large number of small merchants and the small number of very large merchants, accelerates the trend of the former towards extinction and of the latter towards monopoly.

The validity of these observations is borne out by the experiences of the customers in this case as shown by their testimony. All were entitled to a 2% cash discount on purchases from respondent and substantially all agreed that it was an important item in the conduct of their businesses. They testified that wherever possible they arranged their affairs to get the advantage of the discount. In regard to the 2%, various witnesses made statements in substance as follows:

It is the difference of making a profit at the end of the year and not making a profit at the end of the year; it amounts to quite a bit of my net profit at the end of the year; we need that 2%. We take that in buying from all manufacturers where they allow 2%; With that 2%, we can pay the rent of the building; I have to have that to operate.

The fact that the 2% involved a cash discount is not significant. Its importance lies in the opinion expressed by the witnesses that a wholesaler, who for any reason is required to pay 2% more for his products than his competitor, was at a disadvantage which reflected itself in the margin of his profit and in his financial success. If a 2% difference in the cost of a shipment is enough to create injury, then 9.97% would create even more injury.

It also appears from the testimony that shipments from the factory required more time than shipments from a nearer warehouse. Nevertheless, the bulk of the purchases were factory shipped. Most customers arranged their buying schedules to take advantage of the condition that respondent paid the freight on shipments of 100 pounds or more. The average value of the 100-pound shipment was \$173. As in the case of the 2% cash discount, many customer witnesses testified that they considered the money saved on freight charges was important to their business success.

It also appears that respondent furnished suggested resale price lists. At least one witness indicated some departure from these suggested prices. He testified: "There are variations, you make concessions to some of those prices at times \* \* \*. Depends on the customer purchasing the product, you know, if you know the customer is buying that part somewhere else for possibly a little lower price, you will meet that price to try to keep his business; that happens."

Speaking of this evidence, the initial decision points out:

But the Commission and the courts have said that price reduction is but one form of competition. Additional services to customers, use of additional salesmen to call on customers, enlarged or improved facilities, all made possible by larger profits, may enable favored distributors to stay in business and prosper, at the expense of less-favored competitors. Net cost of merchandise purchased for resale is a major factor in determining margin of profit, and any preferential discount that can be obtained by any one of respondent's wholesaler customers contributes materially to his ability to compete and to succeed in the resale of respondent's products. This statement, supported by substantial, reliable, probative evidence in this proceeding, seems to be so simple and reasonable as to be axiomatic, and remains true even though the lower cost of acquisition may not be reflected in lower resale prices.

Finally, respondent urges that:

The provisions of the order to cease and desist fail to meet the constitutional standards of definiteness and reasonableness required by due process of law under the Fifth Amendment to the Constitution of the United States and the enforcement of the order will constitute a denial of due process of law under said Amendment.

The order is as follows:

*It is ordered*, That respondent P. Sorensen Manufacturing Co., Inc., a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in or in connection with the sale, for replacement purposes, of automotive products and supplies in commerce, as "commerce" is defined in the Clayton Act, do forthwith cease and desist from discriminating, directly or indirectly, in the price of such automotive products and supplies of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser who, in fact, competes in the resale and distribution of said products with the purchaser paying the higher price.

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## Order

The order is similar to the one considered by the court in *FTC v. Ruberoid Company* (1952), 343 U.S. 470, and to the orders in the matter of *E. Edelmann & Company*, Docket 5770, and in other similar cases recently decided by the Commission.

The findings, conclusions and order of the hearing examiner are adopted as the findings, conclusions and order of the Commission.

Respondent's appeal is denied and it is directed that an order issue accordingly.

Commissioner Mason dissented to the decision herein in accordance with his views expressed in Docket 5913.

## FINAL ORDER

Respondent P. Sorensen Manufacturing Co., Inc., having filed on April 16, 1956, its appeal from the initial decision of the hearing examiner in this proceeding; and the matter having been heard by the Commission on briefs and oral argument; and the Commission having rendered its decision denying respondent's appeal and adopting the initial decision as the decision of the Commission.

*It is ordered*, That respondent, P. Sorensen Manufacturing Co., Inc., shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist contained in said initial decision.

Commissioner Mason dissenting in accordance with his views expressed in Docket 5913.

## IN THE MATTER OF

## J. C. MARTIN CORP., ET AL.

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

*Docket 6145. Complaint, Dec. 2, 1953—Decision, June 29, 1956*

Order requiring sellers in New York City of a variety of merchandise, including jewelry, silverware, kitchen utensils, and toilet articles, to cease using lottery devices in the sale of said merchandise through members of the public by means of pull cards they mailed to them, giving the purchaser the option of either pulling a tab or buying outright as many articles as he wished from the list in accompanying circulars giving description and price of each.

*Mr. J. W. Brookfield, Jr.* for the Commission.

*Mr. Edward L. Smith*, of Washington, D. C., for respondents.

## INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

1. The complaint in this matter charges the respondents with the use of lottery methods or games of chance in the sale and distribution of their merchandise. After the filing of respondents' answer denying all the material allegations of the complaint, hearings were held at which evidence was received, both in support of and in opposition to the complaint. Proposed findings and conclusions were then submitted by counsel and the case argued orally. The matter is now before the hearing examiner for final consideration and decision.

2. Respondent J. C. Martin Corp., is a corporation organized 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 133 West 20th Street, New York, New York. Respondents Jack Kaslow and Seymour Orenstein are officers of the corporation and control its policies and sales activities. Respondent Jack Kaslow also trades as K. W. Sales Company, with his office and principal place of business located at 20 West 17th Street, New York, New York. Respondent Seymour Orenstein also trades as L. & S. Sales Company, with his office and principal place of business located at 598 Broadway, New York, New York. All of the respondents have cooperated with one another and acted in concert in carrying on the activities hereinafter described.

3. Respondents are engaged in the sale and distribution in commerce, as that term is defined in the Federal Trade Commission Act, of numerous and varied articles of merchandise, including, among others, jewelry, silverware, kitchen utensils and toilet articles. Prac-

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## Decision

tically all of respondents' sales are made through members of the public, whose names and addresses are obtained by respondents from mailing lists. To such persons respondents mail circulars or catalogs describing and depicting certain articles of merchandise and containing a device commonly known as a pull card. This card contains a number of partially perforated tabs under each of which is a feminine or masculine name, together with the name of one of the articles described in the circular and a statement of the price of the article. The information under the tabs is concealed from view, and persons pulling the tabs have no information as to the article they are to receive or the price to be paid therefor until the tab has been pulled or separated from the card.

4. Persons who pull the tabs pay to the individual circulating the pull card the respective amounts specified by the tabs, and their names are noted on the circular in a place provided for that purpose. After all of the tabs on the card have been pulled and the respective amounts paid, the individual circulating the card remits the total amount to respondents and receives the merchandise from them. The respective articles are then distributed by such individual to the persons entitled thereto. For his compensation the person circulating the pull card receives an article of merchandise selected by him from a designated group or, if he prefers, he may elect to receive a designated amount of cash.

5. The three essential elements in a lottery are consideration, chance, and prize. The first two, consideration and chance, obviously are present here; the only question is as to the element of prize. On this point the complaint alleged: "Some of said articles of merchandise have purported and represented retail values greater than the prices designated for them, but are distributed to the consumer for the price designated on the tab which he pulls. The prices of others of the articles are higher in proportion than the articles first mentioned. The apparent greater values of some of said articles, induces members of the purchasing public to purchase the tabs or chances in the hope that they will receive articles of merchandise of greater value than the designated prices to be paid for same."

6. There is no evidence supporting these allegations in the complaint. It is the view of the hearing examiner, however, that such evidence is unnecessary, that the allegations in question may properly be regarded as surplusage, and that the element of prize is present in respondents' method of merchandising. This is so because the some forty articles which may be obtained through the pull card vary widely in nature and might well prove to be either valuable or worthless, depending upon the situation of the particular individual receive-

ing them. An article regarded as a "prize" by one recipient might be wholly without use or value to another. For example, the cigarette lighter offered on one of respondents' circulars would be of value to a smoker, while valueless to a nonsmoker. Again, a man receiving the ten packages of razor blades included in the list probably would get his money's worth if he used a safety razor rather than an electric shaver and if the blades would fit his razor; otherwise the blades would be wholly without value to him.

7. It should be added that one sales circular formerly used by respondents (Com. Ex. 6) provided for the awarding of an additional article as a "grand prize" to the person who happened to pull the tab bearing the same name as that concealed beneath the "grand prize" tab.

8. There is no contention on the part of respondents that the sales methods described above are legal. Respondents do urge, however, that such methods were voluntarily and completely abandoned approximately a year prior to the issuance of the Commission's complaint, and that the sales method then adopted and now in use is unobjectionable. The sales circulars formerly used appear in the record as Commission's Exhibits 1 to 8, while the new circular appears in the record as Commission's Exhibit 9. Both the discontinuance of the former circulars and the adoption of the present circular were upon advice of respondents' legal counsel.

9. The principal distinction drawn by respondents between the former circulars and the present one is that, whereas the former circulars contemplated that purchases of articles described in the circular would be made only through use of the pull card, the current circular gives the purchaser the option of either pulling a tab or buying an article outright from the list appearing in the circular, which describes the articles and states the price of each. And purchasers may buy as many of any particular article as they wish. If the individual conducting the sale does not succeed in selling the complete assortment, he receives a cash commission on the articles sold. Should his sales exceed the amount represented by the assortment, he receives the regular premium (or a commission in lieu thereof) plus a commission on the excess. Approximately 70 percent of the sales made by means of the current circular (including both sales made through use of the pull card and sales made outright without use of the pull card) have been for the amount represented by the complete assortment (\$29.99), 20 percent for amounts exceeding that figure, and 10 percent for amounts below that figure.

10. The fatal difficulty with respondents' position is that the present sales circular, like those preceding it, includes the lottery device, that

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## Appeal

is, the pull card. So long as a device of this nature forms a part of respondents' sales method it would appear to be immaterial that purchasers can, if they so desire, disregard the pull card and purchase particular articles outright. It seems clear that while respondents have discontinued the use of particular sales circulars and altered their sales method in certain details, there has in fact been no abandonment of the practice challenged by the complaint, that is, the use by respondents of lottery devices in the sale of their merchandise.

## CONCLUSION

The proceeding is in the public interest. Respondents' sales methods involve and contemplate the use of lottery devices in the sale and distribution of their merchandise to the public. Such methods are in contravention of the public policy of the United States, are to the prejudice of the public, and constitute unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

## ORDER

*It is ordered*, That respondent J. C. Martin Corp., a corporation, and its officers, and respondents Jack Kaslow and Seymour Orenstein, individually and trading as K. W. Sales Company and L. & S. Sales Company, respectively, or trading under any other name, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of any merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Supplying to or placing in the hands of others pull cards or any other devices which are designed or intended to be used in the sale and distribution of respondents' merchandise to the public by means of a game of chance, gift enterprise, or lottery scheme.
2. Selling or otherwise disposing of any merchandise by means of a game of chance, gift enterprise, or lottery scheme.

## ON APPEAL FROM INITIAL DECISION

Per Curiam:

This matter is before the Commission on an appeal from the initial decision of the hearing examiner holding that the respondents have violated Section 5 of the Federal Trade Commission Act by supplying to others lottery devices for use in the sale of their merchandise.

The issues raised on the appeal are no different, in essence, from those considered by the hearing examiner and on which he made definite and specific findings. In the opinion of the Commission those

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findings, and the conclusions drawn therefrom, are fully justified by the record, and the order to cease and desist included in the initial decision is entirely appropriate.

Accordingly, the respondents' appeal is denied and the hearing examiner's initial decision is adopted as the decision of the Commission.

## FINAL ORDER

The respondents having filed an appeal from the initial decision of the hearing examiner; and the matter having been heard on briefs and oral arguments of counsel; and the Commission having rendered its decision denying the appeal and adopting the initial decision as its own decision:

*It is ordered*, That the respondents, J. C. Martin Corp., a corporation, and Jack Kaslow and Seymour Orenstein, individuals, 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 the order contained in said initial decision.

## Decision

IN THE MATTER OF  
MARYLAND BAKING COMPANY, ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
SEC. 2 (a) OF THE CLAYTON ACT*Docket 6327. Complaint, Apr. 6, 1955—Decision, June 29, 1956*

Order requiring one of the largest ice cream cone manufacturers in the United States, with plant in Baltimore, Md., owning or controlling for such purpose companies in New York City, Chicago, and Charlotte, N. C., and capital stock in other ice cream cone plants in Pittsburgh, Pa., and Oakland and Los Angeles, Calif., to cease discriminating in price by selling ice cream cones to any purchaser at higher prices than those charged the latter's competitor, as it did in May or June 1951, at the time of entry into the cake cone business of its single competitor in the area concerned and apparently in retaliation therefor, through reducing its price for rolled sugar cones—which constituted only 1½% of its total sales—in the Washington-Baltimore metropolitan area from \$6.66 to \$5.00 per thousand, while maintaining its price of \$7.16 per thousand for such cones in the Philadelphia metropolitan area and in the States of Delaware and New Jersey; with result that said sole competitor in the Washington-Baltimore metropolitan area lost all of its sales of rolled sugar cones to some of its former jobber customers and respondent virtually restricted to itself the jobber market for rolled sugar cones in that area.

*Mr. Rice E. Schrimsher* for the Commission.

*Burke, Gerber & Wilen*, of Baltimore, Md., and *Mr. William Simon*, of Washington, D. C., for respondents.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

## PRELIMINARY STATEMENT

The complaint in this case, which was issued in April 1955, charges the respondent, a Maryland corporation located in Baltimore, Maryland, one of the largest ice cream cone manufacturers in the United States, with violation of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, in the sale of rolled sugar cones in the metropolitan areas surrounding the cities of Baltimore, Hagerstown and Frederick, Maryland, and Washington, D. C., beginning in May 1951. The complaint also names Joseph Shapiro, individually, as a respondent and as a treasurer of the Maryland Baking Company, alleging that he "is primarily responsible for the acts and practices hereinafter alleged to be unlawful." Testimony in support of the allegations of the complaint was taken in the city of Baltimore at which time one of the officials of the respondent and of one, Harry

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Sandler, the only competitor of the respondent in the metropolitan areas described, testified.

Although the respondent corporation in its answer denied some of the allegations of the complaint, no testimony was offered in opposition to those allegations. However, at the conclusion of the taking of testimony counsel for the respondents filed a motion to dismiss the complaint before the hearing examiner, which motion, after oral argument, was denied. It is contended by counsel for the respondents that the complaint with respect to the individual respondent Joseph Shapiro should be dismissed because it has not been shown that he personally has been engaged in the sale of ice cream cones and, therefore, he has not been engaged in any conduct within the scope of jurisdiction of the Federal Trade Commission in enforcement of the Clayton Act. As to the corporate respondent, it is contended by its counsel that the complaint should be dismissed because of lack of proof as to the effect of the price discrimination required under the statute and the evidence shows purely a private controversy between two competitors and there is no public interest.

Due consideration having been given to the evidence adduced, the contentions of both counsel, and the proposed findings filed by them in accordance with the Commission's rules, the hearing examiner makes the following:

## FINDINGS OF FACTS AND CONCLUSIONS

1. Respondent The Maryland Baking Company (erroneously named in the complaint as "Maryland Baking Company") hereinafter referred to as respondent corporation, is a corporation organized, existing, and doing business under the laws of the State of Maryland, with its principal office and place of business located at 1200 South Eutaw Street, Baltimore, Maryland.

2. Respondent Joseph Shapiro is an individual who is Chairman of the Board, a large stockholder in and treasurer of respondent corporation. He is primarily responsible for the acts and practices herein alleged to be unlawful.

3. Respondent corporation is now, and since 1926 has been, engaged in the business of manufacturing and selling ice cream cones for use, consumption, and resale throughout the United States and in the District of Columbia. Its sales of such products for the years 1950, 1951 and 1952 were approximately \$1,000,000 annually, one-quarter of which is sold in the metropolitan areas hereinbefore mentioned. It occupies a major position in the ice cream cone industry engaging therein on a nationwide scale and owning or controlling for that purpose the following companies: Eagle Cone Corporation, New

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York, New York; Northwest Cone Company, Inc., Chicago, Illinois; and the Maryland Baking Company of the Carolinas, Inc., Charlotte, North Carolina. In addition it owns capital stock in the following companies which manufacture and sell ice cream cones: Keystone Cone Company, Inc., Pittsburgh, Pennsylvania (preferred stock investment); 50 percent of the common stock of Maryland-Pacific Cone Company, Inc., Oakland, California, which corporation owns all of the common stock of the Pacific Coast Baking Company, Los Angeles, California.

4. Respondent corporation is now, and for approximately 30 years has been, engaged in commerce, as "commerce" is defined in the Clayton Act, as amended, in that it ships ice cream cones or causes same to be transported from the State of manufacture to purchasers located in other States of the United States and in the District of Columbia. In the course and conduct of its said business respondent corporations has been, and now is, competitively engaged with other corporations, individuals, partnerships, and firms in the sale of ice cream cones. However, in the metropolitan areas hereinbefore mentioned it has but one competitor, Harry Sandler, doing business as Sandler R-Good Cake Cone Company, hereinafter referred to as Sandler, with his principal office and place of business located at 4211 Menlo Drive, Baltimore, Maryland.

5. Respondent corporation manufactures and sells four different types of ice cream cones: (1) rolled sugar cones, (2) chocolate-coated rolled sugar cones, (3) cake cones, and (4) cake cup ice cream holders with a flat, rather conical, bottom. It sells its products principally to jobbers or distributors who resell to the retail trade. Rolled sugar cones manufactured by said respondent are sold and delivered primarily to such customers located in the States of Pennsylvania, Maryland, Virginia, New Jersey, Delaware, and the District of Columbia. Such sales constitute a relatively small percentage of respondent's total sales of ice cream cones (1½ percent).

6. The said Sandler is a relatively small manufacturer of ice cream cones whose sales are restricted to the said metropolitan areas, and prior to 1951 consisted exclusively in the sale of rolled sugar cones.

7. Beginning in May or June 1951, respondent corporation reduced its price for rolled sugar cones in the said metropolitan area from \$6.66 per thousand to \$5.00 per thousand while maintaining a price of \$7.16 per thousand for rolled sugar cones in the metropolitan Philadelphia area, including the States of Delaware and New Jersey. This action on the part of the respondent corporation was apparently in retaliation for the entry by Sandler in the cake cone business at or

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about that time and has continued from that date to the time of the taking of testimony in his area.

8. As a result of the price discrimination herein set forth in Paragraph 7, the said Sandler lost all of its sales of sugar cones to some of its jobber customers, some during the year 1951 and others during the succeeding years. The following table is illustrative of the effect upon the sales of Sandler to some of its distributors as a result of the foregoing discriminatory price of rolled sugar cones in the said metropolitan areas beginning in May or June 1951.

*Sales of sugar cones by R-Good Cake Cone Company to certain jobber customers for the years 1950 through 1954*

Name of jobber and location	1950	1951	1952	1953	1954
WASHINGTON, D. C.					
Berritt Distributing Company.....	\$7,642.16	\$4,953.35	\$317.82	None	None
BALTIMORE, MD.					
Becker Pretzel Bakery.....	2,293.37	1,147.50	None	None	None
Chef's Taste.....	400.20	473.07	27.00	None	None
Mann Company.....	574.12	198.00	None	None	None
Quality Distributing Company.....	2,426.46	1,539.10	None	None	None
HAGERSTOWN, MD.					
Weiss Bros.....	1,349.95	1,291.28	482.70	\$149.00	None

9. Beginning in November 1951, the said Sandler began to sell rolled sugar cones to the retail druggists trade. He also continued to sell rolled sugar cones to the retail outlets such as ice cream stores and frozen custard stands. The volume of business in rolled sugar cones in the said metropolitan areas of Washington and Baltimore by respondent corporation and Sandler during the period 1950 to 1954 and the percentage of such sales enjoyed by each competitor are set forth in the following tabulation:

Year	Total sales in area	Respondent Corporation		R-Good Cake Cone Company	
		Total sales	Percentage of total market	Total sales	Percentage of total market
1950.....	\$37,594.41	\$3,274.20	8.7	\$34,320.21	91.3
1951.....	35,245.26	4,314.50	12.3	30,930.76	87.7
1952.....	26,325.20	9,549.28	36.3	16,775.92	63.7
1953.....	27,222.87	11,302.63	41.5	15,920.24	58.5
1954.....	23,674.09	9,886.38	41.8	13,787.71	58.2

Said Sandler's total business during the period 1950-1954 showed a substantial increase due principally to increased sales of chocolate-coated rolled sugar cones which were sold by him to ice cream manu-

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facturers who prefilled them and sold them to retail outlets such as drug stores and confectionery stores.

10. Sandler's price for rolled sugar cones in May 1951 was \$6.80 per thousand to distributors. This price has been reduced to \$6.00 per thousand as a result of respondent corporation's discriminatory price of \$5.00 per thousand to distributors as hereinbefore described. Sandler has been able to maintain his price of \$7.00 per thousand to frozen custard stands and retail ice cream stores and \$8.00 per thousand to drug stores and confectionery stores.

## CONCLUSIONS

The effect of the discrimination in price by respondent corporation as herein found in Paragraph 7 may be substantially to lessen competition and definitely has injured competition with said Sandler and has tended to create a monopoly in the manufacture and sale of sugar cones in the respondent corporation in violation of Section 2 (a) of the Clayton Act, as amended. The evidence set forth in the foregoing findings of facts shows conclusively that the sales of respondent corporation's only competitor of rolled sugar cones in the area where they competed, substantially declined as a direct result of discriminatory price put into effect by the respondent corporation in May or June 1951 and continued since that time. This competitor although it lost its sales to distributors or wholesalers was only able to survive the adverse competitive condition resulting from the discriminatory price, by selling direct to drug stores and other customers of such distributors and increasing its business to other types of trade such as frozen custard stands and the sale of chocolate-coated cones to ice cream manufacturers. Furthermore respondent's percentage of total sales of rolled sugar cones in the metropolitan areas surrounding the cities of Baltimore and Washington has substantially increased even though its sales in this particular area is a small percentage of its total sales of ice cream cones throughout the United States. It is believed that Section 2 (a) of the Clayton Act was intended to reach just such a practice as respondent corporation has initiated and followed in this case. Although it was not completely successful in driving its smaller competitor Sandler out of business, as its president respondent Shapiro threatened at the time discriminatory price was launched, it was successful in inflicting serious injury to this lone competitor, and in the light of the well-known Federal Court decisions such a practice is a violation of Section 2 (a) of the Clayton Act.

Section 2 (a) of the Clayton Act provides that it shall be unlawful for any person engaged in commerce, in the course of such commerce "to discriminate in price between different purchasers of commodities

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of like grade and quality \* \* \* where such commodities are sold for use, consumption, or resale within the United States \* \* \* and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injury, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination \* \* \*." In a Federal Court decision, *E. B. Muller & Co., et al. vs. F.T.C.*, 142 F. 2d 511, 518, the court upheld an order of the Commission under the Clayton Act, as amended, where there was an injury to competition and a single competitor was involved, and there was in that case, as in the present case, an attempt to drive this lone competitor out of business. In another Federal Court case, *National Nut Company of California vs. Kelling Nut Co., et al.*, 61 F. Supp. 76, page 81, the facts were somewhat similar to the facts in the present case and the court held "a practice of underselling plaintiff in certain territory where plaintiff has an established business and maintaining a higher level of prices in other localities where competition with plaintiff or other companies is not so keen is a practice condemned by the anti-trust laws."

It is not believed, however, that it is necessary for the order in this case to include the individual respondent Shapiro although he is the principal stockholder and is responsible for the acts and practices set forth in the foregoing findings of fact. It is believed that the order in this case against the respondent corporation is adequate to prevent continuation of the illegal practice.

The outstanding case and the one relied upon by the attorney in support of the complaint for the inclusion of officers of respondent's individually in Commission's orders to cease and desist is that of *F.T.C. v. Standard Education Society, et al.*, 302 U.S., 112. In that case, however, the court held that there were circumstances, as disclosed by Commission's finding, when further efforts of these individual respondents to evade orders of the Commission might be anticipated, and under those circumstances it was proper for the Commission to include them in its cease and desist order. The court commented on the fact that the three individually named respondents acted with the same freedom as though no corporation existed and that the Commission was justified in reaching the conclusion that it was necessary to include the individuals in each part of its order, if the order was to be effective in preventing the unfair competitive practices which the Commission had found to exist. In the present case there are no such facts in the record. The respondent is a large responsible corporation and there is nothing in the record to indicate

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that there would be any attempt on the part of the respondent Shapiro to evade or not comply with the Commission's order to cease and desist.

It is believed that the order of the Commission should not be restricted to items covered by the specific allegations of the complaint and the evidence in the record. It is true that the only product as to which evidence has been received tending to indicate a violation of Section 2 (a) of the Clayton Act is rolled sugar cones, but in the light of Federal Court decisions the Commission is justified in issuing an order broad enough to include other types of ice cream cones.

Reference is made to *Hershey Chocolate Corporation v. F.T.C.*, 121 F. 2d 968, 971-2; *Lane v. F.T.C.*, 130 F. 2d 48. Also, in the General Motors case involving spark plugs, Docket No. 5620, where it was contended by respondents that the Commission's order should not cover all AC products since they were not specifically named in the complaint and the findings, the Commission rejected this contention and issued an order including "other related automotive parts and accessories." In another case, Moog Industries, Docket No. 5723, the Commission rejected a similar contention by including "piston rings" and "other related items" even though there was no evidence of price discrimination in the record on those items.

## ORDER

*It is ordered*, That respondent The Maryland Baking Company, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the sale or distribution of ice cream cones in commerce, as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from discriminating, directly or indirectly, in the price of such products of like grade and quality, by selling ice cream cones to any purchaser at higher prices than the prices charged any other purchaser engaged in the same line of commerce where, in the sale of said cones to such purchaser charged the lower price, respondent The Maryland Baking Company is in competition with another seller.

*It is further ordered*, That the complaint against Joseph Shapiro, individually only, be, and the same hereby is, dismissed.

## OPINION OF THE COMMISSION

By SECRET, Commissioner:

This matter has come on for hearing on the appeals of counsel supporting the complaint and counsel for respondents from the initial decision of the hearing examiner filed January 30, 1956.

The complaint charges respondent, The Maryland Baking Company,<sup>1</sup> a Maryland corporation, located in Baltimore, Maryland, with violation of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act, in the sale of rolled sugar cones in the metropolitan areas surrounding Baltimore, Hagerstown and Frederick, Maryland, and Washington, D. C., beginning in 1951. The complaint also names as a respondent, Joseph Shapiro, individually, and as treasurer of The Maryland Baking Company, alleging that he "is primarily responsible for the acts and practices hereinafter alleged to be unlawful."<sup>2</sup> Testimony was received in support of the complaint, but no testimony was offered in opposition thereto.

The Maryland Baking Company (hereinafter referred to as respondent corporation) is engaged in the business of manufacturing and selling ice cream cones for use, consumption, and resale throughout the United States and in the District of Columbia. Its sales of such products for the years 1950, 1951, and 1952 were approximately \$1,000,000 annually. About one-quarter of such sales were in the metropolitan areas mentioned above. Respondent corporation occupies a major position in the ice cream industry. It is engaged in this business on a nationwide scale, owning or controlling for such purpose the following companies: Eagle Cone Corporation, New York, New York; Northwest Cone Company, Inc., Chicago, Illinois; and the Maryland Baking Company of the Carolinas, Inc., Charlotte, North Carolina. In addition, it also owns capital stock in companies manufacturing and selling ice cream cones, including: Keystone Cone Company, Inc., Pittsburgh, Pennsylvania (preferred stock investment); 50 percent of the common stock of Maryland-Pacific Cone Company, Inc., Oakland, California, which corporation owns all of the common stock of the Pacific Coast Baking Company, Los Angeles, California.

Respondent corporation manufactures and sells four different types of ice cream cones: (1) rolled sugar cones, (2) chocolate-coated rolled sugar cones, (3) cake cones, and (4) cake cups. Its sales of these products are made principally to jobbers or distributors who resell to the retail trade. Rolled sugar cones manufactured by the respondent are sold and delivered to customers located in Pennsylvania, Maryland, Virginia, New Jersey, Delaware, and the District of Columbia. Its sales of rolled sugar cones are a relative small proportion of its total sales of ice cream cones, in the order of one and one-half percent.

<sup>1</sup> Erroneously named in the complaint as "Maryland Baking Company."

<sup>2</sup> Respondent, Joseph Shapiro, is also Chairman of the Board and a large stockholder in respondent corporation.

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Respondent corporation has only one competitor in the sale of ice cream cones in the metropolitan areas surrounding Washington and Baltimore, R-Good Cake Cone Company, a partnership composed of Harry Sandler, his brother and his son, located in Baltimore, Maryland. This company is a relatively small manufacturer of ice cream cones whose sales are restricted in general to the said metropolitan areas.

Beginning in May or June of 1951, respondent corporation reduced its price for rolled sugar cones in the metropolitan areas surrounding Washington and Baltimore from \$6.66 per thousand to \$5.00 per thousand. Meanwhile, its price for such cones in the Philadelphia metropolitan area and in the States of Delaware and New Jersey was maintained at \$7.16 per thousand. This action was apparently in retaliation for the entry of R-Good Cake Cone Company into the cake cone business at or about this same time. This pricing policy continued to the time testimony was taken in the case.

As a result of this discrimination in price, R-Good Cake Cone Company lost all of its sales of sugar cones to some of its jobber customers, as illustrated by the following table:

*Sales of sugar cones by R-Good Cake Cone Company to certain jobber customers for the years 1950 through 1954*

Name of jobber and location	1950	1951	1952	1953	1954
WASHINGTON, D. C.					
Berritt Distributing Company.....	\$7,642.16	\$4,953.35	\$317.82	None	None
BALTIMORE, MD.					
Becker Pretzel Bakery.....	2,293.37	1,147.50	None	None	None
Chef's Taste.....	400.20	473.07	27.00	None	None
Mann Company.....	574.12	198.00	None	None	None
Quality Distributing Company.....	2,426.46	1,539.10	None	None	None
HAGERSTOWN, MD.					
Weiss Bros.....	1,349.95	1,291.28	482.70	\$149.00	None

R-Good Cake Cone Company, after 1951, began to sell rolled sugar cones to retail drug stores and continued to sell to retail outlets such as ice cream stores and frozen custard stands, but, nevertheless, its sales of rolled sugar cones declined while those of respondent corporation increased in the said metropolitan areas surrounding Washington and Baltimore. The following tabulation sets forth the volume of business in rolled sugar cones in the said metropolitan areas during the period 1950 to 1954 and the percentage of such sales enjoyed by the two companies:

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Year	Total sales in area	Respondent corporation		R-Good Cake Cone Company	
		Total sales	Percentage of total market	Total sales	Percentage of total market
1950.....	\$37,594.41	\$3,274.20	8.5	\$34,320.21	91.3
1951.....	35,245.26	4,314.50	12.3	30,930.76	87.7
1952.....	26,325.20	9,549.28	36.3	16,775.92	63.7
1953.....	27,222.87	11,302.63	41.5	15,920.24	58.5
1954.....	23,674.09	9,886.38	41.8	13,787.71	58.2

As a result of the price discrimination of respondent corporation, R-Good Cake Cone Company's sales of rolled sugar cones declined from in excess of \$34,000 in 1950 to something more than \$13,000 in 1954. At the same time, respondent corporation tripled its sales of rolled sugar cones in the Metropolitan areas affected. Additionally, though R-Good Cake Cone Company was able to minimize the adverse effect resulting from the price discrimination by selling directly to drug stores and other retail customers, it nevertheless was forced to reduce its price on rolled sugar cones to distributors from \$6.80 per thousand to \$6.00 per thousand, and even then was practically foreclosed from the jobber market. Though the total business of R-Good Cake Cone Company increased from 1950 to 1954, this increase was due principally to sales of chocolate coated rolled sugar cones to ice cream manufacturers who prefilled them and sold them to retail outlets as distinguished from the rolled sugar cones which are sold to retailers and then filled for sale to consumers.

The hearing examiner in his initial decision concluded that respondent corporation had violated Section 2 (a) of the Clayton Act, as amended, but that the complaint against Joseph Shapiro, individually, should be dismissed. Accordingly he ordered that:

respondent The Maryland Baking Company, a corporation, and its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the sale or distribution of ice cream cones in commerce, as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from discriminating, directly or indirectly, in the price of such products of like grade and quality, by selling ice cream cones to any purchaser at higher prices than the prices charged any other purchaser engaged in the same lines of commerce where, in the sale of said cones to such purchaser charged the lower price, respondent The Maryland Baking Company is in competition with another seller.

*It is further ordered,* That the complaint against Joseph Shapiro, individually only, be, and the same is dismissed.

In its appeal from the hearing examiner's initial decision, respondent corporation first contends that the evidence shows there was no probability of a substantial lessening of competition. We disagree.

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The evidence clearly shows that, in the metropolitan areas in which respondent corporation charged lower prices on rolled sugar cones, it substantially increased its sales of such cones at the expense of existing competition. The sole competitor of respondent corporation in the said areas lost all of its sales of rolled sugar cones to some of its former jobber accounts as a direct result of the price discrimination. It is clear from the record that the competitor, at the time of the taking of the testimony, was selling rolled sugar cones to only one of its former jobber customers, whereas, respondent corporation, after effecting the price discrimination, began selling said products to many such accounts. It is apparent that respondent corporation by its action, virtually restricted to itself the jobber market for rolled sugar cones in the metropolitan areas surrounding Washington and Baltimore. The showing that the competitor did not lose all of its sales of rolled sugar cones because of its direct distribution to retail accounts does not detract from the fact that it was practically precluded from making sales of such cones in the jobber channel of distribution. The effect of the action by respondent corporation was to substantially lessen and injure competition in the line of commerce affected.

Respondent argues that the effect of the discrimination, at most, was to reduce the competitor's share of the rolled sugar cone market from 91.3% to 58.2%, which was to terminate a monopoly and create a competitive market. While the competitor, R-Good Cake Cone Company, had a major share of such sales prior to the effective date of the discrimination, it was, and continued to be, a small business by comparison with respondent corporation. The fact that the competitor could not maintain its relative position in the face of price cuts by the larger company shatters any contention that it had a monopolistic hold on the market. The Clayton Act proscription as to discrimination in price is not nullified merely because of a showing that the existing competition in a particular market had a major share of the sales of the product involved.

The appeal of respondent corporation also questions the scope of the hearing examiner's order. In the first place, it is contended, since the evidence and the findings are confined to rolled sugar cones, that it is beyond the Commission's statutory power to prohibit price discrimination in other types of ice cream cones. In carrying out its function of preventing illegal practices in the future, the Commission is not limited to prohibiting the illegal practice in the precise form in which it is found to have existed in the past. *Federal Trade Commission v. Ruberoid Co.*, 343 U.S. 470. The courts have consistently upheld Commission cease and desist orders relating not only to the products complained of, but other similar products as well. *American*

*Tack Co., Inc., et al. v. F.T.C.*, 211 F. 2d 239; *Consumer Sales Corp. v. F.T.C.*, 198 F. 2d 404, 408, certiorari denied, 344 U.S. 912; *Hershey Chocolate Corporation v. F.T.C.*, 121 F. 2d 968, 971; *P. Lorillard Co. v. F.T.C.*, 186 F. 2d 52, 58-59; *Eugene Dietzgen Co. v. F.T.C.*, 142 F. 2d 321, 329-330, certiorari denied, 323 U.S. 730. The Commission is entitled to make its order broad enough to prevent evasion. *P. Lorillard Co. v. Federal Trade Commission, supra*, and an order, in this case, covering only rolled sugar cones, a small part of respondent corporation's total business in cone products, would not effectively prevent the practice found to be unlawful. The hearing examiner properly applied the order to price discrimination in the sale or distribution by respondent corporation of ice cream cone products.

It is also contended by respondent corporation that the order is too broad in its geographic scope since the evidence relates to an effect on competition solely in the areas in which it charged the lower price and there is no evidence as to what might be the effect on competition as to a price reduction elsewhere. The practice, however, of a national organization systematically charging lower prices, in first one area and then another, and thereby injuring local competitors, was one which Section 2 (a) of the Clayton Act, as amended, was designed to prevent. An order would serve little purpose in prohibiting an area price discrimination in only the territory where a respondent was found to have charged a lower price, leaving such respondent free to engage in a similar practice in other areas. Such orders are necessarily general and must be broad enough to prevent evasion. *E. B. Muller Co. v. F.T.C.*, 142 F. 2d 511, 520. There is no validity to the argument that this order requires respondent corporation to have one price throughout the United States. The provisos of Section 2 of the Clayton Act, as amended, such as that permitting, in effect, price differences which merely make allowance for differences in the cost of manufacture, sale or delivery, are implicit in the order. *Federal Trade Commission v. Ruberoid Co.*, 343 U.S. 470, 475-476.

The argument of respondent corporation that the order should be limited to the predatory type of price-cut charged in the complaint is also without merit. The complaint charges a violation of Section 2 (a) of the Clayton Act, as amended, in the sale of rolled sugar cones. Though relevant, the testimony that the declared purpose of the discrimination was to put a competitor out of business, if that indicates a predatory act, is not essential to the conclusion of illegality. It is sufficient that the required effect on competition was shown. The order, therefore, may properly prohibit such discrimination whether with predatory purpose or not. *E. B. Muller Co., et al. v. Federal Trade Commission, supra*.

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Counsel supporting the complaint appeals from the hearing examiner's initial decision dismissing the complaint as to individual respondent Joseph Shapiro. The record does not reveal that Joseph Shapiro dominated respondent corporation or that he, in an individual capacity, was responsible for the acts and practices alleged to be unlawful. That he was Chairman of the Board and Treasurer of respondent corporation is not enough to show an individual responsibility. There is no showing, moreover, of any special circumstances which would indicate a likelihood that Joseph Shapiro would cause an evasion of the order against the corporation. He is, in any event, bound by the order as a corporate officer. In the absence of some special reason for naming Joseph Shapiro personally, the order against the corporation, and its officers, representatives, agents, and employees, would seem to be adequate.

The appeals of both the corporate respondent and counsel supporting the complaint are accordingly denied.

## FINAL ORDER

This matter having been heard by the Commission upon the appeal of respondent, The Maryland Baking Company, and counsel supporting the complaint from the hearing examiner's initial decision, and briefs and oral argument of counsel in support thereof and in opposition thereto; and

The Commission having rendered its decision denying the appeals:

*It is ordered*, That the findings, conclusions, and order contained in the initial decision be, and they hereby are, adopted as those of the Commission.

*It is further ordered*, That respondent, The Maryland Baking Company, 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 the order contained in the initial decision.

Complaint

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IN THE MATTER OF

JOS. MARTINSON &amp; CO., INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2 (d)  
OF THE CLAYTON ACT*Docket 6469. Complaint, Nov. 21, 1955—Decision, June 30, 1956*

Consent order requiring distributors in New York City of coffee and tea products, with total sales in 1955 of \$14,000,000, to cease making to any customer such payments as the \$3,300 it made to Food Fair Stores, Inc., of Philadelphia, Pa., for advertising its products, unless they were made on proportionally equal terms to all competitors of the recipient.

Before *Mr. Frank Hier*, hearing examiner.

*Mr. Andrew C. Goodhope* and *Mr. Fredric T. Suss* for the Commission.

*Phillips, Nizer, Benjamin & Krim*, of New York City, for respondent.

## COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly described, has violated the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent, Jos. Martinson & Co., 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 190 Franklin Street, New York, New York.

PAR. 2. Respondent is now and has been engaged in the business of producing, selling and distributing a line of coffee and tea products, the principal brands of which are sold under the trade names "Martinson's," "Jomar" and "Aborn's." In excess of 90% of respondent's products are distributed directly to retail grocery stores, including large retail chain store organizations, and the balance of respondent's products are sold through brokers and grocery wholesale distributors. Total sales made by respondent are substantial, amounting to approximately \$14,000,000 in the year 1955.

PAR. 3. In the course and conduct of its business, respondent has engaged in commerce, as "commerce" is defined in the Clayton Act, as amended. Respondent ships its products, or causes them to be transported, from its principal place of business in the State of New

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York to customers located in the same and other States of the United States and the District of Columbia.

PAR. 4. In the course and conduct of its business in commerce, respondent has paid, or contracted for the payment of, something of value to or for the benefit of some of its customers as compensation or in consideration for services or facilities furnished by or through such customers in connection with their offering for sale or sale of products sold to them by respondent, and such payments were not made available on proportionally equal terms to all other customers competing in the distribution of respondent's products.

PAR. 5. For example, during the year 1955 respondent contracted to pay and did pay \$3,300.00 to Food Fair Stores, Inc., of Philadelphia, Pennsylvania, as compensation or as an allowance for advertising or other service or facility furnished by or through such customer in connection with its offering for sale or sale of products sold it by the respondent. Such compensation or allowance was not offered or otherwise made available by respondent on proportionally equal terms to all other customers competing with Food Fair Stores, Inc., in the sale and distribution of respondent's products.

PAR. 6. The acts and practices of the respondent, as alleged above, violate subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

## INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of subsection (d) of section 2 of the Clayton Act (15 U.S.C. 13), as amended by the Robinson-Patman Act, the Federal Trade Commission on November 21, 1955, issued and subsequently served its complaint in this proceeding against respondent Jos. Martinson & Co., Inc., a corporation 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 190 Franklin Street, New York, New York.

After three hearings at which considerable evidence in support of the complaint was introduced in the record, there was on May 8, 1956, submitted to the undersigned Hearing Examiner an agreement between respondent and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondent admits all the jurisdictional facts alleged in the complaint and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations; agrees that the answer to respondent herein to the complaint shall be considered as having been withdrawn; waives any further procedural steps before the Hearing Examiner and the Commission; waives the

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making of findings of fact and conclusions of law; and waives all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondent, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The Hearing Examiner having considered the agreement and proposed order and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent, Jos. Martinson & Co., Inc., is a corporation existing and doing business under the laws of the State of New York, with its office and principal place of business located at 190 Franklin Street, New York, New York.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

## ORDER

*It is ordered,* That respondent Jos. Martinson & Co., Inc., a corporation, its officers, employees, agents and representatives, directly or through any corporate or other device, in or in connection with the sale of coffee and tea products in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Making or contracting to make, to or for the benefit of any customer, any payment of anything of value as compensation or in consideration for any advertising or other service or facilities furnished by or through such customer, in connection with the handling, offering for resale or resale of products sold to him by respondent, unless such payment is affirmatively offered or otherwise made available to all competing customers on proportionally equal terms.

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DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 30th day of June 1956, become the decision of the Commission; and, accordingly:

*It is ordered*, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.



## STIPULATIONS

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### DIGEST OF STIPULATIONS EFFECTED AND HANDLED THROUGH THE COMMISSION'S DIVISION OF STIPU- LATIONS

02794.<sup>1</sup> Cigars—Composition, Price Reduction.—Stipulation No. 02794 has been amended so that it now reads: H. Fendrich, Inc., a corporation, 101 Oakley Street, Evansville, Ind., vendor-advertiser, was engaged in selling certain cigars designated "La Fendrich."

In a stipulation filed and approved by the Federal Trade Commission the vendor-advertiser agreed, in connection with the dissemination of future advertising, to cease and desist from representing directly or by implication:

(a) That La Fendrich cigars contain an "imported Havana-rich long filler" or from making any other representation referring to or designating the origin of the filler tobaccos of said cigars, except that as to cigars containing a substantial amount of Havana tobacco (1) the word "Havana" may be used as a part of a descriptive statement setting forth the origin of all of the filler tobaccos contained in said cigars in the order of their predominance by weight and in letters of equal size and conspicuousness or (2) such cigars may be described, designated or referred to as "Blended with Havana," provided that the words "blended with" are set out in immediate connection or conjunction with the word "Havana" and in letters of equal size and conspicuousness.

(b) That the price of this cigar was formerly ten cents and is now only five cents, or any other representation indicating a reduction in price unless in fact the price of the particular cigar referred to has recently been the price stated and the reduction in price has only recently become effective, or unless the date such reduction in price was made be set forth or stated immediately in conjunction with the former price and in letters of equal size and conspicuousness or with equal emphasis.

The said H. Fendrich Inc. agrees not to publish or cause to be published any testimonial containing any representation contrary to the foregoing agreement.

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<sup>1</sup> Amendment. See 32 F. T. C. 1806.

*It is further stipulated and agreed,* That as thus amended all of the terms and provisions of Stipulation No. 02794 shall remain in full force and effect. (1-15982, Apr. 12, 1956.)

8527.<sup>2</sup> Chemical Fertilizer—Unique Nature, Approval, Comparative Merits and Prices, etc.—Stern's Nurseries, Inc., a New York corporation, with its principal place of business in Geneva, N. Y., and Otto Stern an officer thereof, engaged in the offering for sale, sale and distribution in commerce, of a chemical fertilizer designated "Miracle-Gro," entered into an agreement that in connection with the offering for sale, sale and distribution of that product or any other product containing substantially the same ingredients or possessing substantially similar properties, they and each of them will cease and desist from representing directly or by implication:

1. That such product is a new discovery or a new development in plant nutrition, or that it is exclusive or the only product of its kind on the market;
2. That said product has been the subject of extensive tests in leading experimental greenhouses, botanical gardens or Agricultural Experiment Stations;
3. That said product is or has been approved by Agricultural authorities;
4. That said product is 100% plant food;
5. That the application of Miracle-Gro will not burn plants unless expressly limited to its use as directed;
6. That one pound of Miracle-Gro makes 300 pounds of liquid fertilizer or any other amount that is in excess of the actual amount of fertilizer present;
7. That one pound of Miracle-Gro is equivalent to 100 pounds of other fertilizer or to any number of pounds that is contrary to the fact;
8. That Miracle-Gro costs less than other commercial fertilizers;
9. That said product contains all the elements necessary for the growth or feeding of plants;
10. That vitamins are necessary for the growth, production or feeding of plants;
11. That the application of Miracle-Gro will cause plants to grow under any circumstances other than a lack of fertilizer;
12. That other fertilizers or plant foods will not produce as satisfactory results as Miracle-Gro.

*It is further agreed,* That this substitute stipulation cancels and supersedes Stipulation No. 8527 approved by the Federal Trade Commission on February 2, 1954.

In this substitute stipulation provisions 1, 2, 3 and 4, together with the pertinent claims and recitations, have been incorporated without

<sup>2</sup> Substitute stipulation. See 50 F. T. C. 1159.

change from Stipulation No. 8527; and provisions 5, 6, 7 and 8 are revisions of provisions 4 and 6 of said Stipulation No. 8527.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Stern's Nurseries, Inc. and Otto Stern that they have engaged in any method, act or practice violative of law. (5220003, June 26, 1956.)

8545.<sup>3</sup> **Margarine—Nature as Dairy Product.**—Stipulation No. 8545 has been amended so that it now reads:

Safeway Stores, Inc. and Salem Commodities, Inc., a subsidiary of Safeway Stores, Inc. and operating under the name of Coldstream Products Co., are Maryland corporations, with their principal offices and places of business located in Oakland, Calif. Safeway Stores, Inc. and Salem Commodities, engaged in the business of advertising, offering for sale and selling in commerce, an oleomargarine designated "Sunnybank Margarine," entered into an agreement that each of them, will cease and desist from disseminating or causing to be disseminated any advertisement for oleomargarine in which:

(a) Any statement, word, grade, designation, design, device, symbol, sound, or any combination thereof is used which represents or suggests that said product is a dairy product provided, however, that nothing contained in this agreement shall prevent Safeway Stores, Inc. and Salem Commodities, Inc., or either of them, from the use in advertisements of a truthful, accurate and full statement of all of the ingredients contained in said product or of a truthful statement that said product contains milk or any other dairy product provided the percentage thereof contained is clearly and conspicuously set forth.

*It is further stipulated and agreed,* That as thus amended all of the terms and provisions of Stipulation No. 8545 shall remain in full force and effect. (5420341, Nov. 8, 1955.)

8545.<sup>4</sup> **Margarine—Nature as Dairy Product.**—Stipulation No. 8545 has been further amended so that it now reads:

Safeway Stores, Inc. and Salem Commodities, Inc., a subsidiary of Safeway Stores, Inc. and operating under the name of Coldstream Products Co., are Maryland corporations, with their principal offices and places of business located in Oakland, Calif. Safeway Stores, Inc. and Salem Commodities, Inc., engaged in the business of advertising, offering for sale and selling in commerce, an oleomargarine designated "Sunnybank Margarine," entered into an agreement that each of them, will cease and desist from disseminating or causing to be disseminated any advertisement for oleomargarine in which:

(a) Any statement, word, grade designation, design, device, symbol, sound, or any combination thereof is used which represents or

<sup>3</sup> Amendment. See 51 F. T. C. 1426.

<sup>4</sup> Further amendment. See 51 F. T. C. 1426 and amendment in this volume above, immediately preceding.

suggests that said product is a dairy product; provided however, that nothing contained in this agreement shall prevent Safeway Stores, Inc. and Salem Commodities, Inc., or either of them, from the use in advertisements of a truthful, accurate and full statement of all of the ingredients contained in said product. *It is further stipulated and agreed*, That as thus amended all of the terms and provisions of Stipulation No. 8545 shall remain in full force and effect. (5420341, Apr. 24, 1956.)

8645. **Liquid Fertilizer—Results, Unique Nature, Relevant Facts, etc.—**“Na-Churs” Plant Food Co., an Ohio corporation, with its place of business in Marion, Ohio, engaged in the business of offering for sale, selling and distributing in commerce, a fertilizer in liquid form designated “‘Na-Churs’ Liquid Fertilizer,” entered into an agreement that in connection with the offering for sale, sale and distribution of that product or any other product of substantially the same composition, it will cease and desist from representing directly or by implication:

1. Through use of the term “results guaranteed” or otherwise, that the product will assure an increase in the growth or yield of plants regardless of other factors or conditions;

2. That the product is more effective than any other fertilizer;

3. That the nutrients of the product are absorbed faster and more efficiently through the leaves than through the roots, or that leaf feeding is superior to root feeding;

4. That all the ingredients are absorbed when the product is applied on foliage, or that the foliage of all plants effectively absorbs the product.

5. That the product is a new plant food or is substantially different from other liquid fertilizers on the market;

6. That the product will not burn plants unless expressly limited to its use as directed. (5420652, July 8, 1955.)

8646. **Sulphur Soap—Therapeutic Properties.—**Kay Preparations Co., Inc., a New York corporation, with its principal place of business located in New York, N. Y., engaged in the business of offering for sale and selling in commerce, preparations designated “Kay Genuine Colloidal Sulphur Soap” also known as “Kay 301 Soap with Genuine Colloidal Sulphur” and “Kay Formula 301 Clear-Skin Lotion” the combination of the two preparations being designated “Kay 301,” entered into an agreement that it will cease and desist from disseminating or causing to be disseminated, any advertisement for those medicinal preparations or any other preparations of substantially the same compositions or possessing substantially the same properties, whether sold under those names or any other names, which represents directly or by implication:

That the preparations, individually or in combination, cure, heal, eliminate or prevent pimples (acne). (5420623, July 8, 1955.)

8647. **Rust Preventive Paint—Durability, Relevant Facts.**—Paint Corp. of America, an Ohio corporation, with its principal place of business located in Cleveland, Ohio, and Arthur C. Palm, an officer thereof, engaged in the business of offering for sale and selling in commerce, a rust preventive paint designated “PCA-100,” “PCA-101,” “PCA-102,” “PCA-103,” “PCA-104” and “PCA-105,” entered into an agreement that in connection with the offering for sale, sale and distribution of rust preventive paints or any other paints of substantially the same composition or possessing substantially the same properties, whether sold under those names or any other names, they, and each of them, will cease and desist from representing:

(1) That no brushing or other surface preparation is required prior to the application of these paints.

(2) That PCA paints afford complete protection against rust.

(3) That these paints are not affected or impaired by moisture industrial smoke or gases.

(4) That these paints are an effective rust preventive when applied to marine equipment exposed to salt water or salt-laden air. (5520049, July 8, 1955.)

8648. **Arthritis, etc., Treatment—Therapeutic Properties, Comparative Merits.**—John H. Stephenson, an individual trading as Sendol Co., with his principal office and place of business located in Kansas City, Mo., engaged in the business of offering for sale and selling in commerce, a drug product designated “Sendol,” entered into an agreement that he will cease and desist from disseminating or causing to be disseminated, any advertisement for that product or any other product of substantially the same properties, whether sold under that name or any other name, which represents directly or by implication:

(a) That the product will afford any relief of severe aches, pains or discomforts of arthritis, rheumatism, sciatica, bursitis, neuritis, neuralgia or lumbago or any other kind of arthritic or rheumatic condition or have any therapeutic effect upon any of the symptoms or manifestations of any such condition in excess of affording temporary relief of minor aches and pains;

(b) That the product is (1) fast acting (2) brings immediate relief or (3) has a faster action than competing products. (5521157, Aug. 16, 1955.)

8649. **Arthritis, etc., Treatment—Therapeutic Properties, Composition.**—John R. Murray, an individual trading as The Ray Drug Co., with his principal office and place of business located at Oakland, Calif., engaged in the business of offering for sale and selling in commerce, a drug product designed “Arthonul,” entered into an agreement that he will cease and desist from disseminating or causing to be disseminated

any advertisement for the aforesaid drug product, or any other product of substantially the same composition or possessing substantially the same properties, whether sold under that name or any other name, which represents directly or by implication:

(a) That the product is an adequate, effective, or reliable treatment for arthritis, rheumatism, neuritis, sciatica, bursitis or any other kind of arthritic or rheumatic condition;

(b) That the product will afford any relief of severe aches, pains or discomforts of arthritis, rheumatism, neuritis, sciatica, bursitis or any other kind of arthritic or rheumatic condition, or have any therapeutic effect upon any of the symptoms or manifestations of any such condition in excess of affording temporary and partial relief of minor aches, pains or fever;

(c) That the product contains a miracle drug or that it contains the drug PABA in any significant dosage;

(d) That the product contains six medically proven ingredients. (5520935, Aug. 16, 1955.)

8650. **Miniature Tree Seeds—Demand, Relevant Facts, Expert Personnel.**—John Kiktavi, an individual doing business as National Nursery Gardens and National Nursery Supply, with his office and principal place of business located in Inglewood, Calif., engaged in the business of offering for sale and selling in commerce, tree seeds together with a booklet of instructions designated “How to Grow Living Miniature Ming Trees at Home,” entered into an agreement that in connection with the advertising and sale of tree seeds and instructions for raising miniature trees, he will cease and desist from:

1. Representing that miniature trees are easy to grow, or that no experience or skill is required;

2. Representing that the method used in growing miniature trees is a secret;

3. Exaggerating the demand for, or the profits which may reasonably be expected from growing miniature trees;

4. Representing that miniature trees can be grown quickly or by a short cut method; or otherwise representing that such trees may be grown in a shorter period of time than is in fact true;

5. Representing that he employs a staff of experts. (5420663, Aug. 16, 1955.)

8651. **Sock-lining Material—Nature, Composition.**—Stedfast Rubber Co., Inc. and Brookside Manufacturing, Inc., Massachusetts corporations, with their principal place of business in Boston, Mass. and Herbert Rubin, James J. Clifford and Alfred Grossman, officers thereof, engaged in the business of offering for sale and selling in commerce, a sock-lining material designated “Brookleathar,” sold principally to shoe manufacturers, usually in rolls 50 inches wide by 100 yards long, entered into an agreement that in connection with the

offering for sale, sale and distribution of their product, or any other product of similar composition, they and each of them will cease and desist from:

(1) Using the term "Brookleathar" or any other word or term suggestive of leather as a designation or description for the product unless such term is accompanied by such disclosure as will clearly show that the product is not leather;

(2) Representing that the product has a leather base, or otherwise that the product is composed in substantial part of leather or leather particles; provided that this will not be construed as preventing representations that pulverized leather or ground leather is present to the extent of a specified percentage of the finished product, when such is a fact. (5420619, Aug. 16, 1955.)

8652. **Sock-lining Material—Nature, Composition.**—Harvard Coated Products Inc., a Massachusetts corporation, with its place of business in Boston, Mass., and David I. Calish, Louis Ravich and Max Ravich, officers thereof, engaged in the business of offering for sale and selling in commerce, a sock-lining material designated "Kidko," sold principally to shoe manufacturers, usually in rolls 50 inches wide by 100 yards long, entered into an agreement that in connection with the offering for sale, sale and distribution of their product, or any other similar composition, they and each of them will cease and desist from:

(1) Using the term "Kidko" or any other word or term suggestive of leather as a designation or description for the product unless such term is accompanied by such disclosure as will clearly show that the product is not leather;

(2) Representing that the product has a leather base, or otherwise that the product is composed in substantial part of leather or leather particles; provided that this will not be construed as preventing representations that the product has a base predominantly of paper with some content of pulverized or ground leather, when such is a fact. (5420613, Aug. 16, 1955.)

8653. **Stationery, etc.—Manufacture, Unique Nature.**—Bernard Busch and Benjamin Cohen, copartners trading as Regency Thermographers, with their place of business in New York, N. Y., engaged in the business of printing, offering for sale and selling in commerce, stationery and allied products such as business cards, letterheads, and wedding announcements, entered into an agreement that in connection with the offering for sale, sale and distribution of stationery and allied products on which lettering, inscriptions or designs have been produced by the thermographic process, they and each of them will cease and desist from:

(1) Using the term "Heliograving" or "Heliographed," or any other term which may be suggestive of engraving, to designate or describe said products unless accompanied by such disclosure concerning the

printing or the printing process used as will clearly show that the products are not engraved or are not made by an engraving process;

(2) Representing directly or by implication that the process used in printing said products is new or exclusive; and

(3) Representing through use of the words "nothing less than hand engraving except the price," or otherwise, that said products have all the attributes or characteristics of engraving. (5420769, Aug. 16, 1955.)

**8654. Vitamin Preparation—Re-vitalizing and Therapeutic Properties.—**

Alfred L. Tuvin, Louis A. Tuvin and Julius H. Tuvin, copartners trading as Vitamin-Quota, with their principal place of business located in New York, N. Y., engaged in the business of offering for sale and selling in commerce, a preparation designated Edanol, entered into an agreement that each of them will cease and desist from disseminating or causing to be disseminated, any advertisement for that preparation which represents directly or by implication:

(1) That the product is of special benefit for men over 40;

(2) That the product restores strength or vigor in men of declining sexual vitality;

(3) That the product is of any therapeutic or nutritional benefit unless clearly and expressly limited to cases resulting from a deficiency of iron, vitamin C or vitamin B complex. (5520854, Aug. 16, 1955.)

**8655. Insecticide—Effectiveness.—**Leonard Carlson, an individual trading as Sunset House, with his principal office and place of business located at Hollywood, Calif., engaged in the business of offering for sale and selling in commerce, an insecticide designated "Bug Rid Anti-Insect Cones" and "Clean House Anti-Insect Cones" entered into an agreement that in connection with the offering for sale, sale and distribution of the insecticide now designated as aforesaid he will cease and desist from disseminating any advertisement in regard thereto which represents directly or by implication:

(a) That the product is effective in killing bedbugs;

(b) That the product is effective in killing moths except flying moths;

(c) That the product will rid the home of insects and from otherwise exaggerating its effectiveness. (5520887, Aug. 16, 1955.)

**8656. Dresses—"Free".—**The Ward-Stilson Co., an Indiana corporation, with its principal office and place of business located at Anderson, Ind., engaged in the business of offering for sale and selling in commerce, dresses and other wearing apparel, entered into an agreement that in connection with the offering for sale, sale and distribution of its dresses and other wearing apparel it will cease and desist from using the word "free," or any other word or words of similar import, in advertisements or in other offers to the public, as descriptive of merchandise or service which is not an unconditional gift,

when all the conditions, obligations, or other prerequisites to the receipt and retention of the "free" article of merchandise or service offered are not clearly and conspicuously set forth at the outset so as to leave no reasonable probability that the terms of the offer will be misunderstood. (5520856, Aug. 16, 1955.)

8657. **Soluble Tea—Composition.**—The Nestle Co., Inc., a New York corporation, with its principal office and place of business located in White Plains, N. Y., engaged in the business of offering for sale and selling in commerce, a product designated Nestea, which is composed of equal parts of soluble tea and carbohydrates, entered into an agreement that it will cease and desist from disseminating or causing to be disseminated, any advertisement, for the product now designated Nestea which fails to clearly and conspicuously disclose the exact proportions of soluble tea and carbohydrates contained in the product. (5521133, Aug. 16, 1955.)

8659.<sup>5</sup> **Tomato Plants—Dealer as Nursery.**—Charles L. Suppinger, Bernard T. Wilson, and E. Blest, copartners trading under the name Charles Nursery, with their place of business in Belleville, Ill., engaged in offering for sale, selling and distributing in commerce, tomato plants, entered into an agreement that in connection with the offering for sale, sale and distribution in commerce, of tomato plants or any other plants or nursery stock, they and each of them will cease and desist from using the word "nursery" or other word or words of similar import or meaning in their trade name or otherwise representing directly or by implication that they operate a nursery where such products are grown. (5421193, Aug. 16, 1955.)

8660. **Binoculars, Telescopes, Microscopes, etc.—Country of Origin and Value.**—Hyman Fink and Bernard Field, copartners trading as The Akron and Precision Optical Co., with their principal office and place of business located in Los Angeles, Calif., engaged in the business of offering for sale and selling by mail order, in commerce, binoculars, telescopes, microscopes and allied products, entered into an agreement that each of them in connection with the offering for sale, sale and distribution of the aforesaid products, will cease and desist from:

(a) Failing to clearly and conspicuously disclose in advertisements, catalogs and other promotional material, the country of origin of the products;

(b) <sup>6</sup> Failing to clearly and conspicuously disclose on the products in such manner that it cannot readily be hidden or obliterated the country of origin thereof;

(c) Representing through use of "Von Kaump," "Von Steuben" and "Heidelberg" as brand names for the products that said products

<sup>5</sup> Stipulation No. 8658 was rescinded February 19, 1957.

<sup>6</sup> Inhibition (b) rescinded Jan. 7, 1958.

are of German origin or from otherwise representing products of one country as originating in another country;

(*d*) Representing that any of the products has a value in excess of the price at which it is usually and regularly sold to the purchasing public. (5420971, Aug. 19, 1955.)

8661. **Shoes—"Free".**—Ortho-vent Shoe Co., Inc., a Virginia corporation, with its principal place of business located at Salem, Va., engaged in the business of offering for sale and selling shoes in commerce, entered into an agreement that in connection with the offering for sale, sale and distribution of its shoes it will cease and desist from using the word "free," or any other word or words of similar import, in advertisements or in other offers to the public, as descriptive of merchandise or service which is not an unconditional gift, when all the conditions, obligations, or other prerequisites to the receipt and retention of the "free" article of merchandise or service offered are not clearly and conspicuously set forth at the outset so as to leave no reasonable probability that the terms of the offer will be misunderstood. (5520937, Aug. 16, 1955.)

8662. **Arthritis, etc., Treatment—Therapeutic Properties. Comparative Merits.**—International Pharmaceutical Co., an Illinois corporation, with its principal office and place of business located at Chicago, Ill., and Frederick Herrschner, majority stockholder and officer thereof, engaged in the business of offering for sale and selling in commerce, a drug product designated "ViViBx (Formula No. 56DX)," entered into an agreement that each of them will cease and desist from disseminating or causing to be disseminated any advertisement for the aforesaid drug product, or any other product of substantially the same composition or possessing substantially the same properties, whether sold under that name or any other name, which represents directly or by implication:

(*a*) That the product is of value in the treatment of arthritis, rheumatism, neuritis, sciatica or lumbago or that it has any beneficial effect in cases thereof except to afford temporary relief of minor aches, pains or fever;

(*b*) That the product, or any ingredient thereof, has a faster or more effective action than aspirin. (5520791, Aug. 16, 1955.)

8663. **Insecticide—Effectiveness.**—Odor-Aire, Inc., a Kansas corporation, with its office and principal place of business located in Wichita, Kans., engaged in the business of offering for sale and selling in commerce, an insecticide designated "Odor-Aire Roach Block," entered into an agreement that it will cease and desist from disseminating or causing to be disseminated any advertisement for that product or any other product of substantially the same properties, whether sold under that name or any other name, which represents directly or by implication that the product is effective in killing roaches or

other insects except in a closely confined area, or otherwise claiming a greater effectiveness than is possessed by the product. (5520985, Aug. 19, 1955.)

8664. **Insecticide—Effectiveness.**—Leon Rosenfeld and Marcus Rosenfeld, copartners trading as L & M Co., Bug-Rid Co., Kil-Bug Co., and Magic Cone Co., with their principal office and place of business located in St. Louis, Mo., engaged in offering for sale and selling in commerce, an insecticide designated “Clean House Fumigation Cones,” “Clean House Cones” and “Magic Anti-Insect Cones,” entered into an agreement that in connection with the offering for sale, sale and distribution of the said insecticide, whether sold under the aforesaid names or any other name or names, they will cease and desist from disseminating any advertisement in regard thereto which represents directly or by implication:

(a) That the product is effective as an insecticide in barns or other spacious or open buildings;

(b) That the product will rid a house of insects and from otherwise exaggerating its effectiveness. (5520374, Aug. 19, 1955.)

8665. **Civil Aeronautics Exam Booklets—Individual as School, Government Connection, etc.**—Stephen H. Martonak, an individual operating under the names Acme Flying School and Exam Clerk, with his place of business in Fort Worth, Tex., engaged in the offering for sale and the sale in commerce, of instruction booklets designed to assist persons in preparing for examinations conducted by the Civil Aeronautics Administration, entered into an agreement that in connection with the offering for sale and the sale of the instruction booklets he will cease and desist from:

1. Using the words “Flying School” or any other word or words implying flight training as part of his trade name, or otherwise representing directly or by implication that he operates a school where students are taught to fly;

2. Using the trade name “Exam Clerk,” alone or in connection with a Washington, D. C. mailing address, or otherwise representing directly or by implication that he is connected with any branch of the Federal Government;

and from representing directly or by implication:

3. That he has a business office in Washington, D. C. or in any place other than its actual location;

4. That he has information as to examinations conducted by the Civil Aeronautics Administration that is not available to the general public;

5. That the questions in the booklets are guaranteed or that the booklets contain the questions being asked in the Civil Aeronautics Administration examinations;

6. That his booklets are based on the exact tests conducted by the Civil Aeronautics Administration;

7. That the information in the booklets is brought up to date weekly or at more frequent intervals than is actually the case;

8. That results are guaranteed or that purchasers are assured of passing Civil Aeronautics Administration examinations or can attain any specified grade in those examinations. (5420990, Aug. 19, 1955.)

8666. **Water Demineralizers—Effectiveness.**—Crystal Research Laboratories, Inc., a corporation, with its principal office and place of business located at Hartford, Conn., engaged in the business of offering for sale and selling in commerce, water demineralizers, among them being products designated “Deeminac” and “Deeminizer,” entered into an agreement that in connection with the offering for sale, sale and distribution of the demineralizers it will cease and desist from representing:

(a) That the water produced by the demineralizers is pure water or chemically pure water;

(b) That the water produced by the demineralizers is distilled water or the chemical equivalent of or equal or superior to distilled water. (5420931, Aug. 19, 1955.)

8667. **Treatment for Colds, Asthma, Sinus Trouble—Therapeutic Properties, Unique Nature, Dealer as Laboratory.**—Bernice E. Campbell, an individual trading as American Laboratories, with her principal place of business located in Lodi, Calif., engaged in the business of offering for sale and selling in commerce, a medicinal preparation designated “American Inhalant,” and a vaporizing device in which the said preparation is used, entered into an agreement that she will cease and desist from disseminating or causing to be disseminated, any advertisement for that preparation or any other preparation of substantially the same composition or possessing substantially the same properties, which represents directly or by implication:

(1) That the preparation is a cure or remedy for head colds, sinus trouble, asthma or hay fever, or that it has any value in the treatment of such ailments or conditions or the symptoms thereof, other than affording temporary palliative relief through facilitating the removal of mucus;

(2) That the preparation is unique, or that its use constitutes a new method of treatment;

(3) Through use of the word “Laboratories” in the trade name, or by any other means or device, that she owns, operates or controls a laboratory equipped for the compounding of medicinal preparations or for the conducting of research in connection therewith. (5520940, Sept. 6, 1955.)

8668. **Dog Food—Government Inspection, Approval, etc.**—Atlas Canning Co., Inc., a New York corporation, with its office and place of business located in Glendale, L. I., N. Y., engaged in the business of offering for sale and selling in commerce, a dog food designated "Laddie Boy Chicken Dog Food," entered into an agreement that in connection with the offering for sale, sale and distribution of that product will cease and desist from representing that its product is inspected or guaranteed by the United States Government, or otherwise misrepresenting the products as to Government inspection or approval. (5520773, Sept. 6, 1955.)

8669. **Insulation Product—Comparative Merits.**—Wood Conversion Co., a Minnesota corporation, with its principal office and place of business located in St. Paul, Minn., engaged in offering for sale and selling in commerce, an insulation product designated "Balsam-Wool," entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid product it will cease and desist from representing directly or by implication that 1 inch of the product is substantially as efficient as  $3\frac{5}{8}$  inches or 4 inches of competing products generally or from otherwise representing the insulating value of the product on a comparative basis, or otherwise, except in accordance with the facts. (5421019, Sept. 6, 1955.)

8670. **Dyestuffs—Guarantees.**—Althouse Chemical Co., Inc., a Pennsylvania corporation, with its place of business in Reading, Pa., engaged in the manufacturing, offering for sale, selling and distributing in commerce, of dyestuffs and intermediates, including a range of dyes designated "Althouse Superlitefast Direct Dyes," selling its products to firms which do their own dyeing, to commission dyers, wholesale garment dyers and jobber dyers, entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid dyes or any other dyes of similar composition it will cease and desist from representing directly or by implication:

(1) That the "Certified Colorfast Seal" of the American Institute of Laundering is a colorfast guarantee, or that either the Althouse Chemical Company, Inc., or the American Institute of Laundering guarantees such dyes as to colorfastness or any other feature;

(2) That Superlitefast dyes are unqualifiedly colorfast. (5520025, Sept. 13, 1955.)

8671. **Vitamin-Mineral Preparation—Unique Nature, Nutritive Qualities.**—Modern Products, Inc., a Delaware corporation, with its principal place of business located in Milwaukee, Wis., engaged in the business of offering for sale and selling in commerce, a preparation designated "Staf Balanced Vitamins and Minerals," entered into an agreement that it will cease and desist from disseminating or causing to be disseminated, any advertisement for that preparation or any other preparation of substantially the same properties whether sold under

that name or any other name, which represents directly or by implication:

(1) That the product is the only complete vitamin and mineral product;

(2) That any vitamin or mineral in the product is of nutritional importance when such is not the fact;

(3) That the product supplies specified vitamins or minerals unless, whenever the vitamins or minerals are named, those for which the need in human nutrition has not been established or for which the minimum daily requirement is unknown are so designated;

(4) That the product is of any benefit unless clearly and expressly limited to cases resulting from a deficiency in one or more of the vitamins or minerals supplied in therapeutically effective amounts by the product when taken in accordance with directions. (5520858, Sept. 13, 1955.)

8672. Fur Products—False Advertising, Invoicing, and Labeling.—Ritz Thrift Shop, Inc., a New York corporation, with its principal place of business located in New York, N. Y., and Aaron Kaye an officer thereof, engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms “fur product” and “commerce” are defined in the Fur Products Labeling Act, among such fur products were coats, capes, stoles and other articles of wearing apparel composed in whole or in part of fur, entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms “fur,” “fur product” and “commerce” are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding their fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products; or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the term "Second Hand" when the fur product being offered for sale has been previously used by the ultimate consumer, as required by Rule 23 of the Regulations;

(d) The name or other identification issued and registered by the Commission of one or more persons who manufactured such fur products for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(e) that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(f) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(g) the name of the country of origin of any imported furs used in a fur product.

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) the term "Second Hand" when the fur product being offered for sale has been previously used by the ultimate consumer, as required by Rule 23 of the Regulations;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(f) the name and address of the person issuing such invoice;

(g) the name of the country of origin of any imported furs contained in a fur product.

(2) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph B (1) (a) above, or furnishing invoices which contain any form of misrepresentation or deception, directly or by implication, with respect to such fur product.

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the

fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (a) of this subsection, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

(D) Mingling, on labels, non-required information with required information.

(E) Failing to set out in advertising the term "Second Hand" when the fur product being offered for sale has been previously used by the ultimate consumer as required by Rule 23 of the Regulations. (5520568, Sept. 13, 1955.)

8673. Fuel Additive—Savings.—S. C. Schneider and Murrey Schneiderman, copartners trading as In-Furn-O Products Co., with their principal place of business in Chicago, Ill., engaged in offering for sale and selling in commerce, fuel additive designated "In-Furn-O" entered into an agreement that in connection with the offering for sale, and distribution of that product they, and each of them, will cease and desist from:

Representing that the use of In-Furn-O will result in savings of  $\frac{1}{3}$  or any other specific amount of heating costs, or otherwise exaggerating in any manner the savings which may result from use of the product. (5421359, Sept. 13, 1955.)

8674. Scalp Kits—Dealer as Laboratory and Clinic; Therapeutic and Preventive Qualities.—Lanole Products, Inc., a Michigan corporation, with its principal office and place of business located in Detroit, Mich., engaged in the business of offering for sale and selling in commerce, products composing kits designated "Lanole Scalp Kit," entered into an agreement that it will cease and desist from disseminating or causing to be disseminated any advertisement for the said products or any other products of substantially the same compositions or possessing substantially the same properties which in any manner:

(a) Represents that it owns, controls or operates a laboratory;

(b) Represents that it owns, controls or operates a scalp clinic;

(c)<sup>7</sup> Represents that the products, used alone or in combination,

<sup>7</sup> Inhibitions (1) and (2) of paragraph (c) were rescinded March 6, 1958.

will (1) prevent baldness, (2) stop falling hair, (3) promote hair growth or (4) prevent or eliminate dandruff. (5421360, Sept. 13, 1955.)

8675. **Shrub—Scientific and Relevant Facts; Dealer as “Association”.**—Willow River Flowers, Inc., a New York corporation, which was organized in 1954 as National Garden Assn., Inc., and became Willow River Flowers, Inc., by change of name in 1955, with its place of business in Floral Park, N. Y., and Monroe Caine, Herbert Mishkin and Barry Blau, officers thereof, engaged in the mail order business of offering for sale and selling in commerce under the name “Living Torch,” a flowering shrub known botanically as “Pieris Japonica,” entered into an agreement that in connection with the offering for sale, sale and distribution of said flowering shrub, they and each of them will cease and desist from representing directly or by implication:

(1) That said plant will bloom in the winter or will flourish in climates of extreme heat or cold;

(2) That said plant will produce 75,000 blooms or any designated number of blooms or flowers in one month or any other period, or from otherwise representing the blooming capacity of the plant in any manner not consistent with fact;

(3) That the plant undergoes vivid changes of color or appears in any colors other than the white of the flowers and the green or bronze of the foliage and buds;

(4) That the plant is rare or unusual or has any characteristics or qualities contrary to fact;

(5) By use of the name “National Garden Association, Inc.,” or by any other means, that the business is an association or is other than a commercial enterprise operated for profit. (5520456, Aug. 13, 1955.)

8676. **Ice-making Machines and Poultry Processing Equipment—Functional Effectiveness, Government Approval.**—Kent Industries, Inc., an Illinois corporation, with its principal place of business located in Chicago, Ill., and Kent Tomlinson, an officer thereof, engaged in offering for sale and selling in commerce, ice making machines designated Kent Ice Machines and poultry processing equipment, under the Kent brand name, entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid ice making machines and poultry processing equipment, they, and each of them will cease and desist from representing, directly or by implication:

(1) That Kent Ice Machines produce “Zero-chip ice” or “sub-zero chip ice” or that the temperature of the ice produced is zero or below zero;

(2) That the ice produced by Kent Ice Machines is lower in temperature or a more efficient refrigerant than it actually is;

(3) That Kent Ice Machines produce ice for \$1.00 per ton or for any unit cost lower than the cost computed on the basis of generally prevailing rates for electrical energy and water;

(4) That any equipment sold by Kent Industries, Inc., has been approved by the Government. (5420631, Sept. 20, 1955.)

8677. Cold and Asthma Treatment—Therapeutic Properties, Unique Nature, Dealer as Laboratory.—Roy W. McKee, an individual trading as National Laboratories, with his principal place of business located in Galt, Calif., engaged in the business of offering for sale and selling in commerce, medicinal preparations designated "Synol" and "Akol" and a vaporizing device in which the preparation "Synol" is used, entered into an agreement that he will cease and desist from disseminating or causing to be disseminated any advertisement for the aforesaid medicinal preparations or any other preparations of substantially the same compositions or possessing substantially the same properties, whether sold under those names or any other names, which represents directly or by implication:

(1) That the preparation now designated Synol is a cure or remedy for head colds, sinus trouble, asthma or hay fever, or that it has any value in the treatment of such ailments or conditions or the symptoms thereof, other than affording temporary palliative relief through facilitating the removal of mucus;

(2) That the preparation now designated Akol is a cure or remedy for asthma or bronchitis or that it has any value in the treatment of such conditions or symptoms which may be associated therewith, other than affording temporary palliative relief through facilitating the removal of mucus;

(3) That either of the preparations is unique, or that the use of either of the preparations constitutes a new method of treatment;

(4) Through use of the word "Laboratories" in the trade name, or by any other means or device, that he owns, operates or controls a laboratory equipped for the compounding of medicinal preparations or for the conducting of research in connection therewith. (5520789, Sept. 20, 1955.)

8678. Ratchet Screw Driver Set—Foreign as "Made in U. S. A.", and Value.—Oxwall Tool Co., Ltd., a New York corporation, with its principal place of business in New York, N. Y., and Harry Greenberg, Sidney Blum and Max J. Blum, officers thereof, engaged in the business of offering for sale, selling and distributing in commerce, various tools and allied products, including a ratchet screw driver set, designated "Oxwall Speed-O-Matic," entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid ratchet screw driver set, they and each of them will cease and desist from:

(1) Representing through the use of the words "Made in U. S. A." or in any other manner that the product is made in the United States when such is not the fact;

(2) Representing that the product has a value of \$7.95 or any other value not in accordance with the facts. (5420773, Sept. 20, 1955.)

8679. **Fur Products—False Advertising, Invoicing, and Labeling.**—Miller Fur Co., an Illinois corporation, with its principal place of business located in Chicago, Ill., engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act; among such fur products were coats, jackets and other articles of wearing apparel composed in whole or in part of fur, entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," and "fur product" and "commerce" are defined in the Fur Products Labeling Act, it will cease and desist from:

(A) Misbranding its fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur products for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product.

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product.

(2) Setting forth required information in abbreviated form.

(3) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph (B) (1) (a) above, or furnishing invoices which contain any form of misrepresentation or deception, directly or by implication, with respect to such fur product.

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (a) of this subsection, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

(2) Advertising fur products in any manner or by any means whereby the advertisement represents directly or by implication that the

regular or usual price of any fur product is any amount in excess of the price at which said corporation has usually and customarily sold such products in the recent regular course of its business.

(3) Making pricing claims or representations of the type referred to in paragraph C (2) above, unless there is maintained by said corporation an adequate record disclosing the facts upon which such claims or representations are based.

(D) Mingling on labels, non-required information with required information.

(E) Failing to set out in advertising the term "Second-Hand" when the fur product being offered for sale has been previously used by the ultimate consumer as required by Rule 23 of the Regulations. (5520595, Sept. 20, 1955.)

8680. Fur Products—Non-disclosure in Advertising.—Ralph Kaminsky, Bernard Kaminsky and Esther Kaminsky, copartners trading as L. Kaminsky & Sons, with their principal place of business located in New York, N. Y., engaged in the business of offering for sale, selling and distributing fur and fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act; among such fur products were coats, scarfs, and other articles of wearing apparel composed in whole or in part of fur, entered into an agreement that in connection with the sale, advertising, offering for sale, transportation or distribution of furs or any fur product which is made in whole or in part of fur which has been shipped and received in commerce, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of furs and any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from advertising furs or fur products in any manner or by any means where the advertisement:

(1) Does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to Section 7 (c) of the Act;

(2) Does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(3) Does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(4) Does not show that the fur product is composed in whole or in substantial part of claws, tails, bellies, or waste fur, when such is the fact;

(5) Contains the name or names of any animal or animals other than the name or names specified in paragraph (1) of this agreement.

or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(6) Does not show the name of the country of origin of any imported furs or those contained in a fur product. (5520598, Sept. 20, 1955.)

**8681. Fishing Lures—Refunds and Guarantees.—**Lucky Lady Fishing Tackle Co., Inc., a California corporation, with its principal place of business located in Los Angeles, Calif., and Karl V. Denny an officer thereof, engaged in the business of offering for sale and selling in commerce, fishing lines designated "Lucky Lady," entered into an agreement that in connection with the offering for sale, sale and distribution of that product, they, and each of them, will cease and desist from:

(1) Representing in any manner that any amount will be paid to dissatisfied purchasers of said fishing lures unless such payments are regularly and promptly made to such persons in accordance with the terms of the representation;

(2) Representing that Lucky Lady fishing lures are guaranteed unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed. (5520065, Sept. 15, 1955.)

**8682. Stamp Catalogues and Stamps—Dealer as Association.—**Lester George Brookman, an individual trading as Twin Cities Philatelic Assn. and Brookman Stamp Co., with his principal office and place of business located in Minneapolis, Minn., engaged in the business of offering for sale and selling in commerce, stamp catalogs and used and unused postage stamps, entered into an agreement that in connection with the offering for sale, sale and distribution of stamp catalogs and used and unused postage stamps he will cease and desist from representing through use of "Association" in his trade name, or in any other manner, that the business is that of an Association or that it is anything more than his individually owned commercial enterprise operated for profit. (5410569, Sept. 22, 1955.)

**8683. Television and Radio Home-study Courses—Job Offers and Employment Opportunities, Earnings, Business Connections.—**William A. Sawyer, an individual doing business under the name Northwest Radio and Television School, with his place of business in Portland, Oreg., engaged in offering for sale and selling in commerce, two home-study courses designated (1) Television Broadcasting Principles and Practices Course and (2) Radio and Television Service and Maintenance Course, entered into an agreement that in connection with the offering for sale and the sale in commerce, of the aforesaid home-study courses, or any other similarly constituted course, he will cease and desist from:

(1) Representing through advertisements in newspapers, magazines or any other medium, whether in classified sections or elsewhere, under such headings as "Help Wanted," "Men Needed," "Wanted" or in any other manner that he, the said W. A. Sawyer, is offering employment or that employment will be offered to persons who answer such advertisements;

(2) Representing directly or by implication that enrollees completing either of the courses, on that basis alone, will be qualified for a position in a television station or in radio and television maintenance and repair other than as trainee or apprentice;

(3) Representing that the courses qualify persons for employment paying \$100 to \$200 weekly, or any amount in excess of the wages currently being paid to apprentices;

(4) Representing that positions in the radio and television field are immediately available to persons who have completed said courses, or otherwise representing that the prospects of employment open to persons taking the courses are other than in accordance with fact;

(5) Representing through use of the initials "N. B. S.," or otherwise, that the school is connected with a nationally known broadcasting system. (5420620, Sept. 27, 1955.)

8684. **Men's Clothing—Dealer Being Manufacturer.**—Draper Clothes, Ltd., a New York corporation, with its office and principal place of business located in New York, N. Y., engaged in the business of offering for sale and selling in commerce, men's clothing, entered into an agreement that in connection with the offering for sale, sale and distribution of men's clothing it will cease and desist from representing:

That it is the manufacturer of the men's clothing it sells when in fact it does not own, operate or control the factory wherein the clothes are made, or that the prices at which such clothing is offered for sale are wholesale prices. (5420747, Sept. 27, 1955.)

8685. **Visors for Windshields—Government Approval.**—Henry Rosen, an individual doing business as H. R. Sales Co., with his office and principal place of business located in Philadelphia, Pa., engaged in the business of offering for sale and selling in commerce, plastic visors for attachment and use on the inside of automobile windshields, entered into an agreement that in connection with the offering for sale, sale and distribution of those products or similar products, he will cease and desist from representing that such products have been approved by all of the States or by all of the States which require approval, or from otherwise representing such approval in any manner not in accordance with the facts. (5420948, Sept. 27, 1955.)

8686. **Vitamin Mineral Supplement—Therapeutic Properties and Relevant Facts.**—Joseph Weider, an individual trading as Better Health Products and as Weider Food Supplements, with his principal place

of business located in Jersey City, N. J., engaged in the business of offering for sale and selling in commerce, a product designated "Joseph Weider Vitamin Supplement," entered into an agreement that he will cease and desist from disseminating or causing to be disseminated, any advertisement for that preparation, or any other preparation of substantially the same composition or possessing substantially the same properties whether sold under that name or any other name, which represents directly or by implication:

(1) That the product is of value in the relief or treatment of any condition unless limited to cases resulting from a deficiency in one or more vitamins or minerals supplied in therapeutically effective amounts by the product when taken in accordance with directions;

(2) That the Vitamin A supplied by the product will have any effect upon the eyesight in excess of preventing night blindness resulting from Vitamin A deficiency or preventing narrowing of the field of vision resulting from Vitamin A deficiency;

(3) That vitamin or mineral deficiency, necessitating the use of this or other vitamin and mineral supplements, may be due to a lack of vitamins or minerals in foods grown in this country;

(4) That vitamin or mineral deficiency for which this or other vitamin and mineral supplements are needed is the most common cause of tiredness or enervation. (5521044, Sept. 27, 1955.)

8687. Insecticides—Effectiveness and Comparative Merits.—L. E. Kopecky, an individual trading as Southern National Merchandising office and place of business located at Hollister, Mo., engaged in offering for sale and selling in commerce, insecticidal products designated "Bugmaster Model G" and "Bugmaster Model H" consisting of lindane crystals and devices for their volatilization, entered into an agreement that in connection with the offering for sale, sale and distribution of insecticidal products now designated as aforesaid, he will cease and desist from disseminating any advertisement in regard thereto which represents directly or by implication:

(a) That Bugmaster Model H is appropriate for use in the home;

(b) That Bugmaster Model G or Bugmaster Model H is effective in killing ants, lice, silverfish, termites, crab lice, spiders, fleas, roaches, rug beetles, chiggers, bedbugs, moths other than flying moths, or 207 different insects, or all insects, or any insect or number of insects against which the products are not effective;

(c) That Bugmaster Model G or Bugmaster Model H will make premises mothproof, antproof or insectproof;

(d) That results the same as or comparable to those obtained through the forms of lindane used by the armed forces will be accomplished by using Bugmaster Model G or Bugmaster Model H. (5521110, Sept. 27, 1955.)

8688. **Miniature Tree Seeds—Relevant Facts, Demand, Profits, Personnel.**—Jack Cohen, an individual doing business as Miniature Nursery Club of America, with his office and principal place of business located in Los Angeles, Calif., engaged in the business of offering for sale and selling in commerce, tree seeds and an instruction booklet on growing miniature trees, entered into an agreement that in connection with the offering for sale, sale and distribution of tree seeds and an instruction booklet for raising miniature trees, he will cease and desist from:

(1) Representing that miniature trees are easy to grow, or that no experience or skill is required;

(2) Representing that the method used in growing miniature trees is a secret;

(3) Representing that American laboratories have been instrumental in the development of miniature tree growing in this country;

(4) Exaggerating the demand for, or the profits which may reasonably be expected from growing miniature trees;

(5) Representing that the trees sell for \$1,000, several hundred dollars, or that the minimum price is generally recognized as \$25, or otherwise exaggerating the price which may be expected when selling miniature trees;

(6) Representing that miniature trees can be grown quickly or by a short cut method; or otherwise representing that such trees may be grown in a shorter period of time than is in fact true;

(7) Representing that he has a "membership committee" or maintains a staff of experts. (5520327, Sept. 27, 1955.)

8689. **Bed Wetting Device—Effectiveness, Dealer as Laboratory, etc.**—Maurice J. Feil and Leo A. Loeb, copartners trading as The Enurtone Co., and King Research Laboratories, with their principal office and place of business located in Beverly Hills, Calif., engaged in the business of leasing a device designated "Enurtone," to be used in cases of bed wetting, to lessees located in various States throughout the United States who in turn rent it to ultimate users, entered into an agreement that they will cease and desist from disseminating or causing to be disseminated, any advertisement for that product which in any manner:

(a) Represents that use of the product will stop bed wetting or correct the bed wetting habit except in cases of functional bed wetting not involving organic defects or diseases;

(b) Represents that they are engaged in scientific research or that they own or operate a laboratory. (5420390, Sept. 27, 1955.)

8690. **Imitation Leather—Misleading Name.**—Latex Fiber Industries, Inc., a New York corporation, with its place of business located in Beaver Falls, N. Y., engaged in the business of offering for sale, selling and distributing in commerce, among other products, an imitation

leather material designated "Leatherlex," entered into an agreement that in connection with the offering for sale, sale and distribution of that product, or any other non-leather product, it will cease and desist from using the name "Leatherlex," or any other name suggestive of leather to designate or refer to said product, unless accompanied by such disclosure of the general nature of the product as will clearly show that it is not leather; or otherwise representing directly or by implication that the product is leather. (5520059, Oct. 4, 1955.)

8691. **Laxative Preparation—Therapeutic Properties.**—Walter T. Startzman and Carrie P. Caldwell, copartners trading as Standard Remedy Co., with their principal place of business located in Baltimore, Md., engaged in the business of offering for sale and selling in commerce, a laxative preparation designated O. S. R. Tablets, entered into an agreement that they will cease and desist from disseminating or causing to be disseminated, any advertisement for a medicinal preparation now designated O. S. R. Herbal Tablets, or any other preparation of substantially the same composition or possessing substantially the same properties, whether sold under that name or any other name, which represents directly or by implication:

(1) That the preparation is a cure or remedy for aches, pains, coated tongue, bad skin or lack of pep, energy or vitality;

(2) That the preparation is a competent or effective treatment for coated tongue in excess of temporarily relieving such symptom when due to constipation;

(3) That the preparation helps or aids nature or affords natural elimination or that the action produced by the preparation is in any way similar to the natural processes of elimination;

(4) That the preparation is a cure or remedy for constipation or faulty elimination or that use of the preparation will serve to eliminate or affect the tendency to constipation;

(5) That the preparation constitutes a competent or effective treatment for constipation or faulty elimination in excess of the temporary relief afforded by an evacuation of the bowels;

(6) That the preparation possesses any therapeutic properties beyond those of a cathartic or laxative. (5521125, Oct. 6, 1955.)

8692. **Mattresses—Composition.**—Superior Sleeprite Corp., an Illinois corporation, with its principal place of business located in Chicago, Ill., engaged in offering for sale and selling mattresses in commerce, entered into an agreement that in connection with the offering for sale, sale and distribution of that product it will cease and desist from:

(1) Using the term "Foam Rubber" or any term of similar import as descriptive of its mattresses unless the filling material thereof is of latex which has been foamed and molded into one homogeneous pad;

(2) Representing that any part of the filling material of a mattress is "Foam Rubber" unless the part so described is latex which has been foamed and molded into one homogeneous pad and the extent to which the foam rubber comprises the filling material of the mattress is clearly disclosed. (5420982, Oct. 6, 1955.)

8693. **Baler Twine—Government Approval.**—Dan H. Shield, Richard E. Shield and E. L. Johnson, copartners trading as Dan H. Shield Cordage Co., with their principal place of business located in Chicago, Ill., engaged in offering for sale and selling in commerce, Javalee baler twine, entered into an agreement that in connection with the offering for sale, sale and distribution of that product they, and each of them, will cease and desist from representing:

That any specified deviation from the stated footage of its baler twine is in accordance with any regulation, ruling, pronouncement or approval of the National Bureau of Standards. (5421239, Oct. 18, 1955.)

8694. **Tables—Composition, Value.**—Wm. E. Miller Furniture Co., a Delaware corporation, with its principal office and place of business located in Washington, D. C., engaged in the business of offering for sale and selling in commerce, furniture, including tables designated "Teneer Top" tables, entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid tables it will cease and desist from:

(a) Representing that the tops of the tables are ground leather tops; provided, however, that this shall not be construed as an agreement not to represent that the tops are made by a process which incorporates as a part thereof the application to the base of the tops of a fine layer or coating of pulverized or ground leather which is fused between coatings of lacquers;

(b) Representing that the tables have values of \$59.50, \$69.50 or \$99.50 or any other value in excess of the price at which said tables are usually and regularly sold to the purchasing public. (5521212, Oct. 20, 1955.)

8695. **Tables—Composition.**—Eureka Furniture Manufacturing Corp., an Illinois corporation, with its office and principal place of business located in Chicago, Ill., engaged in the business of offering for sale and selling tables in commerce, entered into an agreement that in connection with the offering for sale, sale and distribution of tables, and other articles of furniture, it will cease and desist from:

(1) Using the term "Nu-Hide" or any other term suggesting leather or hide as a designation or description for a product or any part thereof which is not composed of leather or hide, unless such term is accompanied by such a disclosure of the general nature of the product as to show clearly that it is not leather or hide;

(2) Representing that any product or part thereof is composed of crotch wood or is composed throughout of wood, when such is not the fact;

(3) Representing through use of the word "mahogany" or the abbreviation "Mhg" or other word or term suggesting mahogany, that a product or part thereof is composed of solid mahogany when such is not the fact. (5420836, Nov. 1, 1955.)

8696. **Knitted Clips and Yarn Wastes—Wool Content.**—Arthur V. Gondjian, James Gondjian and Mrs. Rose Gondjian are copartners doing business as M. H. Gondjian Woolen Co., with their principal place of business located in Los Angeles, Calif., engaged in the offering for sale, sale and distribution in commerce of knitted clips and yarn wastes.

Said knitted clips and yarn wastes are wool products, as the term "wool product" is defined in the Wool Products Labeling Act of 1939, and subject to the provisions of said Act and the Rules and Regulations promulgated thereunder.

Arthur V. Gondjian, James Gondjian and Mrs. Rose Gondjian entered into an agreement that in connection with the introduction or manufacture for introduction, into commerce, or the sale, transportation or distribution in commerce of knitted clips and yarn wastes, or any other wool product within the meaning of said Act, they and each of them will cease and desist from:

(A) Misbranding wool products by failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner:

1. The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (a) wool, (b) reprocessed wool, (c) reused wool, (d) such fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (e) the aggregate of all other fibers;

2. The maximum percentage of the total weight of such wool product, of any nonfibrous loading, filling, or adulterating matter;

3. The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, or distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

(B) Representing on invoices or otherwise that a product is composed of lamb's wool or other kind or type of woolen fiber, when such is not the fact. (5623032, Nov. 3, 1955.)

8697. **Fur Products—False Invoicing and Advertising.**—Joseph L. Jaskow and Leon Jaskow, copartners doing business as Jaskow Furs,

with their principal place of business located in Huntington, W. Va., engaged in the business of offering for sale, selling and distributing in commerce, furs and fur products, entered into an agreement that in connection with the sale, advertising, offering for sale, transportation or distribution of furs or any fur product which is made in whole or in part of fur which has been shipped and received in commerce, or the introduction into commerce or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of furs or any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal, or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product;

(2) Setting forth the required information in abbreviated form;

(3) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph A (1) (a) above, or furnishing invoices which contain any form of misrepresentation or deception, directly or by implication, with respect to such fur product;

(B) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used for or that the fur product contains used fur when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(*d*) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(*e*) contains the name or names of any animal or animals other than the name or names specified in paragraph (*a*) of this subsection, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(*f*) does not show the name of the country of origin of any imported furs or those contained in a fur product. (5623071, Nov. 8, 1955.)

8698. **Insecticide—Safety, Non-staining.**—Campbell Chemicals, Inc., a Missouri corporation, with its principal office and place of business located in St. Louis, Mo., engaged in offering for sale and selling in commerce an insecticidal product designated “Camicide Insect Spray,” entered into an agreement that in connection with the offering for sale, sale and distribution of that product it will cease and desist from disseminating any advertisement in regard thereto which represents directly or by implication:

(*a*) That the product is safe or non-irritating except when expressly and clearly limited to use in accordance with directions;

(*b*) That the product is non-staining except when clearly and expressly limited to use in accordance with directions. (5521234, Nov. 8, 1955.)

8699. **Knitted Clips and Yarn Waste—Wool Content.**—Peter Kahn, Jr., Philip Senegram, Mrs. Sarah L. Senegram and Nathaniel L. Gorman are copartners doing business as Philip Senegram Co., with their principal place of business located in Los Angeles, Calif., engaged in the offering for sale, sale and distribution in commerce of knitted clips and yarn wastes.

Said knitted clips and yarn wastes are wool products as the term “wool product” is defined in the Wool Products Labeling Act of 1939, and are subject to the provisions of said Act and the Rules and Regulations promulgated thereunder.

Peter Kahn, Jr., Philip Senegram, Mrs. Sarah S. Senegram and Nathaniel L. Gorman entered into an agreement that in connection with the introduction or manufacture for introduction, into commerce, or the sale, transportation or distribution in commerce of knitted clips and yarn wastes, or any other wool product within the meaning of said Act, they and each of them will cease and desist from:

(A) Misbranding wool products by failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner:

1. The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (*a*) wool, (*b*) *reprocessed wool*, (*c*) *reused wool*, (*d*)

such fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (e) the aggregate of all other fibers;

2. The maximum percentage of the total weight of such wool product, of any non-fibrous loading, filling, or adulterating matter;

3. The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, or distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

(B) Representing on invoices or otherwise that a product is composed of lamb's wool or other kind or type of woolen fiber, when such is not the fact. (5623137, Nov. 29, 1955.)

8700. **Fur Products—False Invoicing.**—J. N. Adam & Co., a New York corporation, with its principal place of business located in Buffalo, N. Y., and Homer P. Selman, Jr., an officer thereof, engaged in the business of offering for sale, selling and distributing in commerce, of fur products made in whole or in part of fur, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such products were coats and other articles of wearing apparel composed in whole or in part of fur.

J. N. Adam & Co. and Homer P. Selman, Jr., entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product;

(2) Setting forth the required information in abbreviated form;

(3) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph A (1) (a) above, or furnishing invoices which contain any form of misrepresentation or deception, directly or by implication, with respect to such fur product;

(B) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (a) of this subsection, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product. (5623097, Nov. 29, 1955.)

8701. Interlining Materials—Wool Content and Source.—Brand & Oppenheimer, Inc., is a New York corporation, with its principal place of business located in New York, N. Y., engaged in the offering for sale, sale and distribution in commerce of interlining materials containing woolen batting.

Said interlining materials are wool products, as the term "wool product" is defined in the Wool Products Labeling Act of 1939, and are subject to the provisions of said Act and the Rules and Regulations promulgated thereunder.

Brand & Oppenheimer, Inc., entered into an agreement that in connection with the introduction, or manufacture for introduction, into commerce, or the sale, transportation or distribution in commerce of woolen interlining materials, or any other wool product within the meaning of said Act, it will:

(a) Forthwith cease and desist from misbranding wool products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers included therein;

2. Failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product of any non-fibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939. *Provided*, That nothing contained in this stipulation shall be construed as limiting any applicable provisions of Section 9 of the Wool Products Labeling Act of 1939. (5520571, Nov. 29, 1955.)

8703.<sup>8</sup> Fur Products—False Advertising, Invoicing, and Labeling.—Lewis Lurie, Oscar M. Lurie, Paul R. Lurie, Bertha Konski, Etta Rubinsky and Fannie Edelstone, copartners trading as M. Lurie & Co., with their principal place of business located in Amsterdam, N. Y., engaged in the business of offering for sale, selling and distributing furs and fur products, made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act; entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding their fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain

<sup>8</sup> Stipulation No. 8702 was rescinded August 7, 1957.

any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to set forth on the label an item number identifying the fur product;

(4) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product;

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product;

(2) Setting forth the required information in abbreviated form;

(3) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph B (1) (a) above, or furnishing invoices which contain any form of misrepresentation or deception, directly or by implication, with respect to such fur product;

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph C (1) (a) above, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product;

(D) Mingling, on labels, non-required information with required information. (5623126, Nov. 29, 1955.)

8704. Phonograph Needles—Durability.—Duotone Co., Inc., a New Jersey corporation, with its principal office and place of business located at Keyport, N. J., and Stephen Nester and Virginia Nester officers thereof, engaged in the business of offering for sale and selling in commerce, osmium-tipped and sapphire-tipped phonograph needles, entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid phonograph needles, they will cease and desist from representing directly or by implication:

(a) That the osmium-tipped phonograph needles will satisfactorily play 4,000 records or any other number of records not in accordance with the facts;

(b) That the sapphire-tipped phonograph needles will satisfactorily play 5,000 records or any other number of records not in accordance with the facts. (5420504, Nov. 29, 1955.)

8705. Fishing Instructions—Free Goods and Relevant Facts.—Eric P. McNair, an individual doing business as Erick Fare and Erik T. Fare, with his office and principal place of business located in Libertyville, Ill., engaged in the business of offering for sale and selling in commerce, fishing instructions, entered into an agreement that in connection with the offering for sale, sale and distribution of fishing instructions, he will cease and desist from representing:

(1) That his fishing instructions are sent without cost;

(2) That the method of angling set forth in the instructions is a secret. (5520062, Dec. 1, 1955.)

8706. Cigars—Cuban Origin.—R. Louise Neff and C. Martin Neff, copartners trading as The L. and M. Neff Cigars, with their principal office and place of business located at Red Lion, Pa., engaged in the business of offering for sale and selling cigars in commerce, among them being a cigar branded as “Cuban Crooks,” entered into an agreement that in connection with the offering for sale, sale and distribution of their cigars in commerce, they will cease and desist from representing through use of the word “Cuban,” or other word or words indicative of Cuban origin, in the brand name of cigars or in any other manner, that such cigars are composed entirely of tobacco grown on the Island of Cuba, when such is not a fact. (5520805, Dec. 1, 1955.)

8707. Children's Outerwear—Wool Content.—Max Neustadter and Jacob Neustadter are copartners doing business as Seneca Sportswear Manufacturing Co., with their principal place of business located in New York, N. Y., engaged in the offering for sale, sale and distribution in commerce of children's outerwear.

Said children's outerwear are wool products, as the term “wool product” is defined in the Wool Products Labeling Act of 1939, and are subject to the provisions of said Act and the Rules and Regulations promulgated thereunder.

Max Neustadter and Jacob Neustadter entered into an agreement that in connection with the introduction or manufacture for introduction, into commerce, or the sale, transportation or distribution in commerce of children's outerwear, or any other wool product within the meaning of said Act, they and each of them will:

(A) Forthwith cease and desist from misbranding wool products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers included therein;

2. Failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner;

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product of any nonfibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939;

(B) Maintain proper fiber content records as required by the Wool Products Labeling Act:

1. Showing the percentage of wool, reprocessed wool, and reused wool, and of each kind of fiber other than wool, placed in the respective wool products of said Max Neustadter and Jacob Neustadter doing business as Seneca Sportswear Manufacturing Co. in the form of fiber, yarn, fabric, or other forms;

2. Showing such numbers, information, marks, or means of identification as will identify the said records with respective wool products to which they relate; and

3. By keeping and maintaining as records under the act all invoices, purchase contracts, orders or duplicate copies thereof, bills of purchase, business correspondence received, factory records, and other pertinent documents and data showing or tending to show (a) the purchase, receipt, or use by said Max Neustadter and Jacob Neustadter of all fiber, yarn, fabric or fibrous material, or any part thereof, introduced in or made a part of any such wool products of said Max Neustadter and Jacob Neustadter; (b) the content, composition or classification of such fiber, yarn, fabric or fibrous material with respect to the information required to appear upon the label of the wool products of said Max Neustadter and Jacob Neustadter; and (c) the name and address of the person or persons from whom such fiber, yarn, fabric or fibrous materials were purchased or obtained by said Max Neustadter and Jacob Neustadter. (5520543, Dec. 6, 1955.)

8708<sup>9</sup>. **Hernia Support—Unique Nature and Effectiveness.**—Piper Brace Sales Corp., a Missouri corporation, with its principal office and place of business located in Kansas City, Mo., engaged in the business of offering for sale and selling in commerce, a device designated "Rupture-Easer," entered into an agreement that it will cease and desist from disseminating or causing to be disseminated, any advertisement for the aforesaid device now designated "Rupture-Easer" or any other device of substantially the same design, style and workmanship, which represents directly or by implication:

(a) That competitive devices are old-fashioned, outmoded, torturing or binding or which otherwise falsely disparages competitive devices;

(b) That its device is the most effective hernia support devised;

<sup>9</sup> Inhibitions (a) and (b) were rescinded on November 14, 1957.

(c) That its device provides effective support for ruptures except when clearly and expressly limited to reducible inguinal ruptures. (5520965, Dec. 8, 1955.)

8709. **Correspondence Courses in Building and Drafting—Fictitious Collection Agency.**—Chicago Technical College, an Illinois corporation, with its place of business in Chicago, Ill., engaged in the business of offering for sale and selling in commerce, correspondence courses; one in building and five in drafting, entered into an agreement that in connection with the offering for sale, sale and distribution of correspondence courses, it will cease and desist from using the name “American Adjustment Company” or any other fictitious trade name for the purpose of collecting delinquent accounts, or representing in any manner that any department or collection agency which is owned, operated or controlled by Chicago Technical College is an independent or separate company or organization. (5420606, Dec. 13, 1955.)

8710. **Delinquent Debt Collections—Private Business as Association.**—National Assn. of Schools and Publishers, Inc., is a Delaware corporation, with its principal place of business located in Wilmington, Del., and James F. Fitzsimmons is an officer thereof, engaged in collecting delinquent accounts owed to others.

In the conduct of such business, it causes letters to be transmitted by United States mails to persons residing in various States of the United States.

National Assn. of Schools and Publishers, Inc., and James F. Fitzsimmons entered into an agreement that in connection with the collection of delinquent accounts owed to others, they, and each of them will cease and desist from:

1. Using the name “National Association of Schools and Publishers, Inc.,” or any other name of similar import unless, wherever used, such name be immediately followed in conspicuous type by a clear disclosure that the business is that of a private collection agency;

2. Representing that the company or business was “Founded to preserve stability-arrest abuses and aid in the punishment of violations against schools and publishers” or in any other manner that the purpose was or is other than to operate a commercial enterprise for profit. (5520712, Dec. 13, 1955.)

8712.<sup>10</sup> **Drug Preparations, Cosmetics, etc.—Therapeutic and Beautifying Qualities.**—Howard Tresses, Inc., a New York corporation, with its principal place of business located in New York, N. Y., and George Rosen and Abraham Plutzer, officers thereof, engaged in the business of offering for sale and selling in commerce, various drug preparations, devices and cosmetics, entered into an agreement that they and each of them, will cease and desist from disseminating or causing to be disseminated, any advertisement for drug preparations, devices and

<sup>10</sup> Stipulation No. 8711 was rescinded June 20, 1957.

cosmetics now designated "Hair Wig," "Howard's Electric Vibrator," "Lanolin Hair Magic," "Belong," "Formula N-P," "Perfect 4" and "Pine Tar and Castor Oil" or any other drugs, devices or cosmetics of substantially the same composition or design, whether sold under those names or any other names, which represent directly or by implication:

(a) That any of their hair wigs are custom-made in Italy or are imported from Italy, unless such is the fact;

(b) That Howard's Electric Vibrator will have any effect in causing a reduction in body weight or in preventing falling hair, or that it will give the user a healthy scalp;

(c) That the preparation designated "Lanolin Hair Magic" restores natural oils to the hair, skin or tissues, or affects the health of the scalp;

(d) That the preparation designated "Belong" promotes the growth of hair;

(e) That the preparation designated "Formula N-P" cures acne, or has any effect on such condition other than affording temporary symptomatic relief from the bumps, blackheads or pimples;

(f) That the preparation designated "Perfect 4" promotes the growth of hair;

(g) That the preparation designated "Pine Tar and Castor Oil" will have any effect in preventing loss of hair or in promoting the growth of hair, or that it will give the user healthy hair. (5420881, Jan. 5, 1956.)

8713. **Metal Inner Soles—Therapeutic Properties.**—Walter Olson, an individual trading as Olson's Miracle Soles, with his principal office and place of business located in Elgin, Ill., engaged in the business of offering for sale and selling in commerce, metal inner soles designated "Olson's Miracle Soles," entered into an agreement that he will cease and desist from disseminating or causing to be disseminated, any advertisement for the aforesaid metal inner soles which represents directly or by implication:

(a) That the metal inner soles relieve arthritis, lumbago or rheumatism or any other arthritic or rheumatic condition or that they have any beneficial therapeutic effect on any such condition or any symptom or manifestation thereof;

(b) That the metal inner soles are miracle soles;

(c) That the metal inner soles have any therapeutic effect. (5521277, Jan. 10, 1956.)

8714. **Floor Wax Products—Unique Nature, Composition, Comparative Merits, etc.**—Harry Fox, an individual trading as Trewax Co., with his place of business in Culver City, Calif., engaged in the business of offering for sale, selling and distributing in commerce, various floor wax products under the brand name "Trewax," entered into an agree-

ment that in connection with the offering for sale, sale and distribution of his various Trewax products, or any other products of substantially similar composition, he will cease and desist from representing directly or by implication:

- (1) That such products are the world's hardest floor finishes;
- (2) That they contain 50% Carnauba wax, or any percentage of any ingredient not in accordance with fact;
- (3) That they contain twice as much solid wax as competitive products, or otherwise representing that the solid wax content of the product is greater than it is in fact;
- (4) That they are the only floor wax products that prevent floor discoloration or give long wearing protection;
- (5) That they are the only floor wax products that are free from paraffin and petroleum waxes;
- (6) That Trewax paste products are suitable for any type flooring, or otherwise representing directly or by implication that Trewax in paste form is suitable for use on asphalt or rubber tile. (5421701, Jan. 10, 1956.)

8715. **Sea Food Products—Dealer as Packer.**—Louis O. Johnson, an individual trading as Miss Lou Ala Foods Co., with his principal office and place of business located in Biloxi, Miss., engaged in the business of offering for sale and selling sea food products in commerce, entered into an agreement that he will cease and desist from disseminating or causing to be disseminated any advertising material for sea food products which represents directly or by implication that he is a packer of sea food products or which otherwise represents his business except in accordance with the facts. (5623044, Jan. 12, 1956.)

8716. **Cotton Piece Goods—Colorfast Qualities.**—Supreme Fabrics Corp., a New York corporation, with its principal place of business in New York, N. Y., and Seymour Braunstein, an officer thereof, engaged as a jobber and distributor in the business of offering for sale, selling and distributing in commerce, cotton piece goods including a certain cotton fabric designated "Blu Surf Sportdenim," entered into an agreement that in connection with the offering for sale, sale and distribution of a fabric designated "Blu Sportdenim" or any other fabric which is not colorfast as to both light and laundering, they and each of them will cease and desist from representing directly or by implication that such fabric is colorfast. (5520484, Jan. 12, 1956.)

8717. **Varnish Product—Alcohol-Resistant Qualities, etc.**—Waterproof Paint & Varnish Co., a Massachusetts corporation, trading as Plastex Co., with its principal office and place of business located at Watertown, Mass., engaged in offering for sale and selling in commerce, a varnish product designated "Plastex," entered into an agreement that in connection with the offering for sale, sale and distribution of that product, or any other product of substantially the same composition,

or possessing substantially the same properties, whether sold under that name or any other name, it will cease and desist from representing directly or by implication :

That the product is resistant to alcohol or that it will outwear other varnishes or shellac coatings or from otherwise representing it except in accordance with the facts.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Waterproof Paint & Varnish Co., that it has engaged in any method, act or practice violative of law. (5623260, Jan. 19, 1956.)

8718. **Woolen Fabrics—Wool Content.**—Vermont Textiles, Inc., is a Vermont corporation, with its principal place of business located in North Montpelier, Vt., and Theodore Rosenthal and Donald C. Brown are officers thereof. The corporation is engaged in offering for sale, sale and distribution in commerce, of woolen fabrics. Said woolen fabrics are wool products as the term "wool product" is defined in the Wool Products Labeling Act of 1939, and are subject to the provisions of said Act and the Rules and Regulations promulgated thereunder.

Vermont Textiles, Inc., Theodore Rosenthal and Donald C. Brown entered into an agreement that in connection with the introduction into commerce, or the sale, transportation, or distribution of woolen fabrics, or any other wool product within the meaning of said Act, they and each of them will :

(A) Forthwith cease and desist from misbranding wool products by :

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers included therein;

2. Failing to securely affix to or place on each such product a stamp, tag, label or other means of identification showing in a clean and conspicuous manner;

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight, or (1) wool, (2) reprocessed wool, (3) reused wool, (4) fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool product of any non-fibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939;

(B) Maintain proper fiber content records as required by the Wool Products Labeling Act:

1. Showing the percentage of wool, reprocessed wool, and reused wool, and of each kind of fiber other than wool, placed in the respective wool products of said Vermont Textiles, Inc., in the form of fiber, yarn, fabric, or other form;

2. Showing such numbers, information, marks, or means of identification as will identify the said records with respective wool products to which they relate; and

3. By keeping and maintaining as records under the act all invoices, purchase contracts, orders or duplicate copies thereof, bills of purchase, business correspondence received, factory records, and other pertinent documents and data showing or tending to show (a) the purchase, receipt or use by said Vermont Textiles, Inc., of all fiber, yarn, fabric or fibrous material, or any part thereof, introduced in or made a part of any such wool products of said Vermont Textiles, Inc.; (b) the content, composition or classification of such fiber, yarn, fabric or fibrous material with respect to the information required to appear upon the label of the wool products of said Vermont Textiles, Inc., and (c) the name and address of the person or persons from whom such fiber, yarn, fabric or fibrous materials were purchased or obtained by said Vermont Textiles, Inc.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Vermont Textiles, Inc., Theodore Rosenthal and Donald C. Brown that they have engaged in any method, act or practice violative of law. (5520519, Jan. 19, 1956.)

8719. Reducing Plan—Effectiveness, Unique Nature, Price.—Wm. T. Thompson Co., a California corporation, with its principal place of business located in Los Angeles, Calif., engaged in the business of offering for sale and selling in commerce, preparations designated “Marina Rogers No. 1” and “Marina Rogers No. 2” and a calorie reducing regimen, all of which are sold under the name of “Marina Rogers Reducing Plan,” entered into an agreement that it will cease and desist from disseminating or causing to be disseminated any advertisement for preparations hereinafter designated, or any other preparations of substantially the same properties, whether sold under those names or any other names, which represents directly or by implication:

(A) That the product designated “Marina Rogers No. 1” or the protein consumed as part of the Marina Rogers Reducing Plan will cause the destruction of fat or calories stored in the tissues, or that Marina Rogers No. 1 tablets possess weight reducing properties;

(B) That specific or predetermined weight reduction will be achieved within a prescribed period of time through the use of the Marina Rogers Reducing Plan;

(C) That the Marina Rogers Reducing Plan is basically different from other weight-reducing plans requiring a low calorie diet with a dietary supplement; or

(D) That the regular retail price of the Marina Rogers Reducing Plan, or combination offer, is in excess of the price at which such plan or combination offer is usually and customarily sold at retail, or that any retail price of said plan or combination offer is a reduced price unless such price represents a reduction from the price at which said plan or combination offer is usually and customarily sold at retail.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Wm. T. Thompson Co., that it has engaged in any method, act or practice violative of law. (5521111, Jan. 24, 1956.)

8720. Fur Products—False Advertising, Invoicing, and Labeling.—Cummins Furs, Inc., is a Massachusetts corporation, with its principal place of business located in Boston, Mass., and Lewis H. Cummins is an officer thereof, engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms “fur product” and “commerce” are defined in the Fur Products Labeling Act. Among such fur products were coats, stoles, scarves and other articles of wearing apparel composed in whole or in part of fur.

Cummins Furs, Inc., and Lewis H. Cummins entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms “fur,” “fur product” and “commerce” are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product;

(4) Mingling on labels, non-required information with required information;

(5) Setting forth on labels required information in abbreviated form or in handwriting;

(6) Failing to show, on labels, the term "Second Hand" when the fur product being offered for sale had been previously used by an ultimate consumer;

(7) Failing to show, on labels, an item number or mark assigned to such product.

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product;

(2) Setting forth the required information in abbreviated form;

(3) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph B (1) (a) above, or furnishing invoices which contain any form of misrepre-

sentation or deception, directly or by implication, with respect to such fur product.

(C) Falsely or deceptively advertising fur products by;

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (C) (1) (a) above, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

(2) Advertising fur products in any manner or by any means whereby the advertisement represents directly or by implication that the regular or usual price of any fur product is any amount in excess of the price at which said corporation has usually and customarily sold such products in the recent regular course of its business.

(3) Making pricing claims or representations of the type referred to in paragraph (C) (2) above, unless there is maintained by said corporation an adequate record disclosing the facts upon which such claims or representations are based.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Cummins Furs, Inc., and Lewis H. Cummins that they have engaged in any method, act or practice violative of law. (5520587, Jan. 24, 1956.)

8721. Fur Products—False Advertising, Invoicing, and Labeling.—Marvin's Credit, Inc., is a District of Columbia corporation, with its principal place of business located in Washington, D. C., and Daniel A. Hannock and Abraham L. Phillips are officers thereof, engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, stoles, and other articles of wearing apparel composed in whole or in part of fur.

Marvin's Credit, Inc., Daniel A. Hannock and Abraham L. Phillips entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding their fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product;

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(*d*) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(*e*) the name and address of the person issuing such invoice;

(*f*) the name of the country of origin of any imported furs contained in a fur product;

(2) Setting forth the required information in abbreviated form;

(3) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph (B) (1) (*a*) above, or furnishing invoices which contain any form of misrepresentation or deception, directly or by implication, with respect to such fur product.

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(*a*) does not show the name or names (as set forth in Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (*c*) of the Act;

(*b*) does not show that the fur is used fur or that the fur product contains used fur when such is the fact;

(*c*) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored when such is the fact;

(*d*) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(*e*) contains the name or names of any animal or animals other than the name or names specified in paragraph (*a*) of this subsection, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(*f*) does not show the name of the country of origin of any imported furs or those contained in a fur product;

(D) Mingling, on labels, non-required information with required information.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Marvin's Credit, Inc., Daniel A. Hannock and Abraham L. Phillips, that they have engaged in any method, act or practice violative of law. (5623090, Jan. 24, 1956.)

8722. Money-Earning Opportunities Pamphlet—Jobs and Free Goods.—Marc M. Perier, an individual who has been doing business under the name Marc Mailing Service, with his place of business in Davenport, Ia., engaged in the mail order selling in commerce, of a pamphlet containing information as to possible opportunities for earning money by addressing and mailing advertising material, entered into an agreement that in connection with the offering for sale, sale and distribution

of a pamphlet containing information as to opportunities for earning money by addressing and mailing advertising material, or by performing any other service, he will cease and desist from:

1. Representing directly or indirectly through advertisements inserted in classified advertising pages of newspapers or other advertising media under the heading "Help Wanted" or headings of similar import and effect or through the use of any other means that he is offering employment or that employment will be offered to persons who answer said advertisements.

2. Representing that details regarding opportunities for employment or for earning money will be furnished free.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Marc M. Perier that he has engaged in any method, act or practice violative of law. (5623084, Feb. 7, 1956.)

8723. **Fur Products—False Advertising, Invoicing, and Labeling.**—Cohen's Furs, Inc., is a Pennsylvania corporation, with its principal place of business located in Philadelphia, Pa., and Louis Cohen is an officer thereof, engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, jackets, stoles, scarves and other articles of wearing apparel composed in whole or in part of fur.

Cohen's Furs, Inc., and Louis Cohen entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product.

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product.

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (C) (1) (a) above, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Cohen's Furs, Inc., and Louis Cohen that they have engaged in any method, act or practice violative of law. (5623278, Feb. 14, 1956.)

8724. Stationery—English Source, "Handmade."—Rexall Drug Co. is a corporation, with its principal place of business located in Los Angeles, Calif. The corporation, in 1954 and 1955, offered for sale and sold stationery in commerce, and caused the same when sold to be shipped from its wholly owned subsidiary, Eastern Tablet Corp., Albany, N. Y., into and through various other States of the United States to purchasers located in such other States.

Rexall Drug Co. entered into an agreement that in connection with the offering for sale, sale and distribution in commerce of stationery it will cease and desist from representing:

(1) Through use of the word "English," or in any other manner, that the product is imported from England, or from otherwise representing the country of origin in any manner not in accordance with the facts;

(2) Through use of the word "Handmade," or in any other manner, that the product is made by hand, or from otherwise representing that the process by which it is made is other than the actual process of manufacture.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Rexall Drug Co. that it has engaged in any method, act or practice violative of law. (5521009, Feb. 14, 1956.)

8726.<sup>21</sup> Fur Products—False Advertising, Invoicing, and Labeling.—Samuel Rubin and Stuart Rubin are copartners doing business as Rubin Fine Furs, with their principal place of business located in Philadelphia, Pa., engaged in the business of offering for sale, selling and distributing furs and fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were new and used

<sup>21</sup> Stipulation No. 8725 was rescinded November 14, 1957.

coats, jackets, and other articles of wearing apparel composed in whole or in part of fur.

Samuel Rubin and Stuart Rubin entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(e) That the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product.

(4) Mingling, on labels, non-required information with required information;

(5) Setting forth required information in abbreviated form.

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product.

(2) Failing to show that the fur product is "second-hand," when such is the fact;

(3) Failing to set out on the invoice the required item number.

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (C) (1) (a) above, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Samuel Rubin and Stuart Rubin that they have engaged in any method, act or practice violative of law. (5623346, Feb. 14, 1956.)

8727. Fur Products—False Advertising, Invoicing, and Labeling.—Adam, Meldrum & Anderson Co., Inc., is a New York corporation, with its principal place of business located in Buffalo, N. Y., engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, capes, jackets, and other articles of wearing apparel composed in whole or in part of fur.

Adam, Meldrum & Anderson Co., Inc. entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, it will cease and desist from:

(A) Misbranding fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product.

(4) Setting forth required information in handwriting or in abbreviated form.

(5) Failing to disclose the name of the animal producing the fur used in the trim of a fur product.

(B) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (B) (1) (a) above, or contains any form of misrepresentation or deception directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

(2) Using comparative price statements in advertisements unless there is maintained by said corporation an adequate record disclosing the facts upon which such claims or representations are based.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Adam, Meldrum & Anderson Co., Inc. that it has engaged in any method, act or practice violative of law. (5623254, Feb. 14, 1956.)

8728. Carpeting—Fiber Content.—Homemaker Rugs, Inc., a New York corporation, with its principal place of business located in New York, N. Y., and Bernard G. Blum and Molly Blum officers thereof, engaged in the business of offering for sale and selling in commerce stairway carpeting, entered into an agreement that in connection with the offering for sale, sale and distribution of carpeting or rugs they, and each of them, will cease and desist from:

(1) Using the word "wool," or any word or term indicative of wool, to designate or describe any product or portion thereof which is not composed wholly of wool, the fiber from the fleece of the sheep or lamb, or hair of the Angora or Cashmere goat, or hair of the camel, alpaca, llama or vicuna, which has never been reclaimed from any woven or felted product; provided that in the case of products or portions thereof which are composed in substantial part of wool and in part of other fibers or materials, such terms may be used as descriptive of the wool content of the product or portion thereof if there are used in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, words truthfully designating each constituent fiber or material thereof in the order of its predominance by weight; provided further, that if any fiber or material so designated is not present in a substantial quantity, the percentage thereof shall be stated. Nothing herein shall prohibit the use of the terms "reprocessed wool" or "reused wool" when the products or those portions thereof referred to are composed of such fibers;

(2) Labeling, advertising or otherwise offering for sale or selling products composed in whole or in part of rayon without clearly disclosing such rayon content.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Homemaker Rugs, Inc., Bernard G. Blum and Molly Blum that they have engaged in any method, act or practice violative of law. (5521104, Feb. 14, 1956.)

8729. Calendar Birth Control Device—Effectiveness.—Benjamin Pokras, an individual doing business under the trade name Brooklawn-Park Laboratory, Preg-No-Matic Division, with his place of business in Bridgeport, Conn., engaged in offering for sale, selling and distributing in commerce, a calendar-disk device designated "Preg-No-Matic," intended for use in calculating women's sterile and fertile periods, entered into an agreement that in connection with the offering for sale, sale and distribution of that device or any similar calculating device he will cease and desist from: (a) Representing directly or by implication that such device provides an unfailing system of birth spacing, or that it enables a woman to ascertain her fertile and sterile days with certainty; (b) Using fragments or portions of reports or studies which do not correctly reflect the results reported.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Benjamin Pokras that he has engaged in any acts or practices violative of law. (5521172, Feb. 14, 1956.)

8730. Tables—Value.—Reliable Stores Corp. is a Maryland corporation, with its principal office and place of business located in Baltimore, Md. It operates the business known as House and Hermann which is in Washington, D. C. In the conduct of the aforesaid business known as House and Hermann it is engaged in offering for sale and selling in commerce, tables designated "Teneer Top Tables."

Reliable Stores Corp. entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid tables it will cease and desist from representing that the tables have a value from \$49.95 to \$79.95 or any other value in excess of the price at which said tables are regularly and usually sold to the purchasing public.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Reliable Stores Corp. that it has engaged in any method, act or practice violative of law. (5521014, Feb. 14, 1956.)

8731. Children's Shoes—Corrective Qualities.—Sherman Bros. Shoe Mfg. Corp., a Massachusetts corporation, with its principal office and place of business located in Lowell, Mass., engaged in offering for sale and selling in commerce, shoes designated as "Judy 'n' Jerry Kiddie Korrectives," entered into an agreement that in connection with the

offering for sale, sale and distribution of the aforesaid shoes it will cease and desist from:

(a) Representing through use of "Kiddie Korrectives" as a part of the brand name for the shoes, or in any other manner, that the shoes constitute or are corrective shoes or that wearing the shoes corrects or prevents defects or abnormalities of the feet;

(b) Representing directly or by implication that use of the shoes insures a child's foot health or has a significant beneficial effect on foot health;

(c) Representing directly or by implication that use of the shoes helps a child's foot grow strong or sturdy or has any significant beneficial effect on strength, growth or development of the feet;

(d) Representing directly or by implication that the shoes (1) assure comfort or proper fit, (2) furnish needed support or correct weight distribution, (3) prevent run-down heels, (4) provide balanced walking or complete foot freedom, or (5) conform to the contour of the foot or the arch.

Nothing herein shall prevent Sherman Bros. Shoe Mfg. Corp. from representing that the shoes embody devices or factors which are often approved by physicians as beneficial in preventing the persistence of pronation and in alleviating the symptoms of mild cases of pronation in children when such measures are found to be individually indicated.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Sherman Bros. Shoe Mfg. Corp. that it has engaged in any method, act or practice violative of law. (5520397, Feb. 14, 1956.)

8732. Fur Products—False Advertising, Invoicing, and Labeling.—J. F. Lewin and Mrs. Ruth Lewin are copartners doing business as Lewin's, with their principal place of business located in Wichita, Kans. They are engaged in the business of offering for sale, selling and distributing furs and fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, jackets, and other articles of wearing apparel composed in whole or in part of fur.

J. F. Lewin and Mrs. Ruth Lewin, entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product.

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoices;

(f) the name of the country of origin of any imported furs contained in a fur product.

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the

fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (C) (1) (a) above, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by J. F. Lewin and Mrs. Ruth Lewin that they have engaged in any method, act or practice violative of law. (5623308, Feb. 16, 1956.)

8733. **Appliances and Jewelry—Earnings and Prices.**—T. C. Fry, Jr., an individual trading under the name Consolidated Distributors, with his principal place of business in Haledon, N. J., engaged in the mail order sale in commerce, of catalog discount merchandise of wide variety, including appliances and jewelry, entered into an agreement that in connection with the offering for sale, sale and distribution of catalog discount merchandise, including appliances and jewelry, he will cease and desist from representing directly or by implication:

1. That associate distributors under his plan of operation have earned as much as \$1,000 in one month or that such distributors may reasonably expect to earn \$500 per month, or otherwise misrepresenting the actual or probable earnings of his distributors;

2. That the prices quoted in his catalog are the prices charged in stores, when in fact articles are included in the catalog which are not available in regular retail stores and which have been given a higher retail mark-up than articles of comparable merchandise sold in such stores.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by T. C. Fry, Jr. that he has engaged in any method, act or practice violative of law. (5520208, Feb. 16, 1956.)

8734. **Convertible Auto Tops—Business Facilities, Guarantees.**—Harold H. Carter and Irene Carter, copartners trading as Atlas International Co., with their place of business in Chicago, Ill., engaged in the business of manufacturing, offering for sale, selling and distributing in commerce, convertible auto tops, entered into an agreement

that in connection with the offering for sale, sale and distribution of convertible auto tops or other products, they and each of them will cease and desist from:

1. Representing through the use of pictorial representations or otherwise, that they own or use testing or laboratory equipment or that such equipment is part of their own plant, when such is not a fact;
2. Representing that they have expended more money in product research than all of their competitors combined, or otherwise misrepresenting the extent of such testing or research as they may do;
3. Representing directly or by implication that they own or operate branches or plants in specified cities or other localities, when such is not a fact;
4. Using drawings or sketches which misrepresent the actual size of their plant or factory;
5. Representing that their products are unconditionally guaranteed; and from representing directly or by implication that any product is guaranteed when the guarantee is subject to any condition or limitation, unless such representation is accompanied by a full disclosure of the conditions and limitations.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Harold H. Carter or Irene Carter that they have engaged in acts or practices violative of law. (5420743, Feb. 23, 1956.)

8735. Sinus Ailments Treatment—Therapeutic Properties.—Ethical Products, Inc., a Michigan corporation, with its principal place of business located in Detroit, Mich., and Wendell Brodigan and Anthony A. Odoi, officers thereof, engaged in the business of offering for sale and selling in commerce, a medicinal preparation designated "SI-NO," entered into an agreement that they and each of them, will cease and desist from disseminating or causing to be disseminated, any advertisement for that preparation, or any other preparation of substantially the same properties, whether sold under that name or any other name, which represents directly or by implication:

- (1) That SI-NO is a remedy or cure for sinus ailments or has any value in the prevention or treatment thereof other than affording temporary relief from minor sinus headaches or minor aches or pains caused by sinus ailments;
- (2) that SI-NO is a remedy, cure, or competent treatment for, or will afford relief from, severe headaches or severe aches or pains;
- (3) That SI-NO builds resistance against sinus attacks;
- (4) That SI-NO No. 2 Pink Tablets, or the vitamins or amino acids therein, have any value in the prevention, relief or treatment of sinus ailments.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Ethical Products, Inc., Wendell Brodigan and Anthony A. Odoi that they have engaged in any method, act or practice violative of law. (5521066, Feb. 28, 1956.)

8736. **Shoes—Orthopedic Properties.**—Culver Manufacturing Co., Inc., an Indiana corporation, with a principal office and place of business at Erin, Tenn., engaged in offering for sale and selling in commerce, shoes designated “Magic Loop Bumpers” Shoes, entered into an agreement that in connection with the offering for sale, sale and distribution of the aforesaid shoes, it will cease and desist from representing directly or by implication:

(a) That the shoes (1) keep the feet healthy, (2) are affirmatively conducive to the health of the feet, or (3) prevent the development of defects or abnormalities of the feet;

(b) That the shoes (1) aid correct development of the feet, (2) have an affirmative beneficial effect upon growth or development of the feet, or (3) provide proper or needed support;

(c) That the shoes (1) strengthen the ankles, (2) cause or enable one to tread correctly, (3) provide proper or natural balance, or (4) improve body balance;

(d) That the elastic insert of the shoes (1) is the greatest baby shoe advancement in a generation, or (2) gives greater ankle support without binding;

(e) That no other product affords the protection or comfort afforded by the shoes.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Culver Manufacturing Co., Inc., that it has engaged in any method, act or practice violative of law. (5520047, Feb. 28, 1956.)

8738.<sup>12</sup> **Shoes—“Hand Fashioned.”**—E. E. Taylor Corp., a Massachusetts corporation, with its principal place of business located at Freeport, Maine, engaged in offering for sale and selling shoes in commerce, entered into an agreement that in connection with the offering for sale, sale and distribution of shoes it will cease and desist from:

(1) Representing, directly or by implication, that a shoe is hand sewn except as to such part or parts as may be sewn by hand;

(2) Representing, directly or by implication, that a shoe is hand finished unless the scouring and trimming, as well as the application of dye or polish and the buffing and dressing, are done by hand;

(3) Using the term “hand fashioned” or any other word or symbol in such manner as to represent, directly or by implication, that its shoes are hand made, or that machines are not employed in the making of its shoes, or that hand operations are used in the making of its shoes to a greater extent than is the fact.

<sup>12</sup> Stipulation No. 8737 was rescinded July 1, 1957.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by **E. E. Taylor Corp.**, that it has engaged in any method, act or practice violative of law. (5521201, Mar. 8, 1956.)

**8739. Trusses—Guarantees.**—Arthur F. Bull, an individual with his principal place of business located in Oakland, Calif., engaged in manufacturing, advertising and selling hernia supports or trusses in commerce, entered into an agreement that he will cease and desist from disseminating or causing to be disseminated, any advertisement for those products which represents directly or by implication:

That his products are fully guaranteed, or that he gives a money-back guarantee, or which otherwise represents that his products are guaranteed, unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Arthur F. Bull that he has engaged in any method, act or practice violative of law. (5520206, Mar. 8, 1956.)

**8740. Food Supplements—Therapeutic Qualities, Composition, Medical Approval, etc.**—Organic Sea Products Corp., a California corporation, with its principal place of business located in San Francisco, Calif., engaged in the business of offering for sale and selling food supplements in commerce, under the brand name Organic Sea Food, entered into an agreement that it will cease and desist from disseminating or causing to be disseminated, any advertisement for food supplements now sold under the brand name Organic Sea Food or any other preparations of substantially the same properties whether sold under that name or any other name which represents directly or by implication:

(1) That any of its food supplements are of value in the treatment or cure of tuberculosis, or will prevent baldness or loss of teeth, or will prolong life;

(2) That its food supplements are composed completely of natural ingredients, or that they contain no synthetic vitamin or mineral substances, when such is not the fact;

(3) That 90%, or most, or any substantial number of the people in this country are suffering from malnutrition, or are in need of vitamin or mineral supplements;

(4) That its food supplements are approved, accepted, or recommended by the medical profession; or

(5) That its food supplements are of value in the relief or treatment of any condition unless limited to cases resulting from a deficiency in one or more of the vitamins or minerals supplied in thera-

peutically effective amounts by the products when taken in accordance with the directions for use.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Orgainc Sea Products Corp. that it has engaged in any method, act or practice violative of law. (5520390, Mar. 8, 1956.)

8743.<sup>13</sup> **Fur Products—False Advertising, Invoicing, and Labeling.**—Jordan's, Inc. is a Pennsylvania corporation, with its principal place of business located in Erie, Pa., engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, stoles, and other articles of wearing apparel composed in whole or in part of fur.

Jordan's, Inc. entered into an agreement that in connection with the 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, or the introduction into commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, it will cease and desist from:

(A) Misbranding fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur products for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

<sup>13</sup> Stipulations numbered 8741 and 8742 were rescinded on March 6, 1958, and November 14, 1957, respectively.

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product.

(4) Setting forth the required information in abbreviated form or in handwriting.

(5) Mingling, on labels, non-required information with required information.

(6) Failing to precede the name of the country of origin with the term "Fur Origin."

(B) Falsely or deceptively invoicing fur products by:

(1) Failing to furnish invoices to purchasers of fur products showing:

(a) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur, when such is the fact;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(d) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) the name and address of the person issuing such invoice;

(f) the name of the country of origin of any imported furs contained in a fur product.

(2) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph B (1) (a) above, or furnishing invoices which contain any form of misrepresentation or deception, directly or by implication, with respect to such fur product.

(C) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (C) (1) (a) above, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Jordan's, Inc. that it has engaged in any method, act or practice violative of law. (5623131, Mar. 15, 1956.)

8744. **Fur Products—Composition, Manufacture, Country of Origin.**—Joseph R. Simmons is an individual doing business as Simmons Fur Co., with his principal place of business located in Pueblo, Colo., engaged in the business of offering for sale, selling and distributing furs and fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, capes, stoles and other articles of wearing apparel composed in whole or in part of fur.

Joseph R. Simmons entered into an agreement that in connection with the sale, advertising, offering for sale, transportation or distribution of furs which had been shipped and received in commerce, or the introduction into commerce, or the transportation or distribution in commerce of furs or any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, he will cease and desist from advertising fur products in any manner or by any means where the advertisement:

(1) Does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(2) Does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(3) Does not show, or improperly shows, the name of the country of origin of any imported furs or those contained in a fur product.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Joseph R. Simmons that he has engaged in any method, act or practice violative of law. (5623395, Mar. 15, 1956.)

8745. **Arthritis, etc., Drug Treatment—Therapeutic Properties.**—John R. Pepper and Elbert R. Ferguson, copartners trading as The Berjon Co., with their principal place of business located in Memphis, Tenn., engaged in the business of offering for sale and selling in commerce, a drug product in liquid form designated "Act-On" and a drug product in tablet form designated "Act-On," entered into an agree-

ment that each of them will cease and desist from disseminating or causing to be disseminated, any advertisement for that drug product or any other product of substantially similar composition or possessing substantially similar properties as either of the aforesaid products, whether sold under that name or any other name, which represents directly or by implication:

(a) That either of the products constitutes a treatment for or will arrest the progress of or correct the underlying cause of neuritis, neuralgia, lumbago, arthritis, rheumatism or any other kind of arthritic or rheumatic condition;

(b) That either of the products will afford any relief of severe aches, pains or discomforts of neuritis, neuralgia, lumbago, arthritis, rheumatism or any other kind of arthritic or rheumatic condition or that either of the products will have any therapeutic effect upon any of the symptoms or manifestations of any such condition in excess of affording temporary and partial relief of minor aches, pains or fever;

(c) That persons afflicted with neuritis, neuralgia, lumbago, arthritis, rheumatism or any other kind of arthritic or rheumatic condition so severely that such afflictions interfere with their normal habits of life or their ability to carry on their regular occupations will be enabled by taking either of the products to resume such normal habits or regular occupations;

(d) That the sodium bicarbonate or the potassium iodide contained in either of the products has any beneficial effect on neuritis, neuralgia, lumbago, arthritis, rheumatism or any other kind of rheumatic or arthritic condition or any manifestation or symptom of any such condition;

(e) That either product acts more quickly, or is stronger, or more effective than competing products in cases of neuritis, neuralgia, lumbago, arthritis, rheumatism or any other kind of arthritic or rheumatic condition or any manifestation or symptom of any such condition.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by John R. Pepper or Elbert R. Ferguson that they have engaged in any method, act or practice violative of law. (5521141, Mar. 27, 1956.)

8746. Fur Products—False Advertising, Invoicing, and Labeling.—Hopper Furs, Inc., is a Missouri corporation, with its principal place of business located in St. Louis, Mo. and Edward Hopper is an officer thereof. The corporation is engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms “fur product” and “commerce” are defined in the Fur Products Labeling Act. Among such fur products were coats, jackets,

stoles, capes and other articles of wearing apparel composed in whole or in part of fur.

Hopper Furs, Inc. and Edward Hopper entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, they and each of them will cease and desist from:

(A) Misbranding fur products by:

(1) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(2) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(c) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(d) such other information as may be required by Section (4) (2) of the Fur Products Labeling Act.

(3) Setting forth required information in abbreviated form or in handwriting.

(B) Failing to furnish invoices to purchasers of fur products showing:

(1) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as prescribed under the Rules and Regulations;

(2) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(3) the name of the country of origin of any imported furs contained in a fur product;

(4) the required item number;

(5) such other information as may be required by Section (5) (b) (1) of the Fur Products Labeling Act.

(C) Advertising fur products in any manner or by any means where the advertisement:

(1) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of the Act;

(2) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(3) contains the name or names of any animal or animals other than the name or names specified in paragraph (C) (1) above;

(4) does not show the name of the country of origin of any imported furs or those contained in a fur product.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Hopper Furs, Inc. and Edward Hopper that they have engaged in any method, act or practice violative of law. (5623403, Apr. 10, 1956.)

8747. Fur Products—False Advertising, Invoicing, and Labeling.—Chambers & Chambers, Inc., is a New York corporation, with its principal place of business in New York, N. Y., engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur products" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, capes, jackets, and other articles of wearing apparel composed in whole or in part of fur.

Chambers & Chambers, Inc., entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, it will cease and desist from:

(A) Misbranding fur products by:

(1) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(2) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(c) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(d) such other information as may be required by Section 4 (2) of the Fur Products Labeling Act;

(B) Failing to furnish invoices to purchasers of fur products showing:

(1) the name or names of the animal or animals producing the fur or furs contained in the fur product, as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(2) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(3) such other information as may be required by Section 5 (b) (1) of the Fur Products Labeling Act;

(C) Setting forth the required information in abbreviated form;

(D) Using on invoices the name or names of any animal or animals other than the name or names provided for in paragraph B (1) above;

(E) Advertising fur products in any manner or by any means where the advertisement:

(1) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to Section 7 (c) of the Act;

(2) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(3) does not show the name of the country of origin of any imported furs or those contained in a fur product.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Chambers & Chambers, Inc., that it has engaged in any method, act or practice violative of law. (5623153, Apr. 10, 1956.)

8748. Concrete Burial Vaults—Strength, Sterility, etc.—Lager Manufacturing & Supply Co., an Iowa corporation, Vault Co. of America, a Delaware corporation and Quad-City Burial Vault Co., an Iowa corporation, with their principal offices and places of business located in Davenport, Ia., engaged in offering for sale and selling in commerce, concrete burial vaults designated “Vaulcoa Vaults,” and franchises and materials for the manufacture thereof, entered into an agreement that each of them in connection with the offering for sale, sale and distribution of said burial vaults, materials for the manufacture thereof and franchises, will cease and desist from:

(a) Representing, directly or by implication, that the vaults will (1) withstand an earth load or pressure of 4,000 pounds or 5,000 pounds per square inch or any other amount of pressure per square inch not in accordance with the facts, or (2) a total earth load or pressure of any amount not in accordance with the facts;

(b) Representing, directly or by implication, that the interior insulating substance of the vaults is effective in maintaining constancy of temperature therein;

(c) Representing, directly or by implication, that the Paulex Powder used in the vaults (1) destroys all bacteria therein, (2) completely sterilizes the interior thereof, (3) assures absolute sanitation, or (4) otherwise affords complete protection;

(d) Representing, directly or by implication, that the asphalt coating of the vaults penetrates a distance of  $\frac{1}{2}$  inch or any distance not in accordance with the facts;

(e) Representing, pictorially or otherwise, that the thickness of the vaults is greater than the actual thickness thereof.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Lager Manufacturing & Supply Co., Vault Co. of America and Quad-City Burial Vault Co. that they have engaged in any method, act or practice violative of law. (5520130, Apr. 12, 1956.)

8749. **Fur Products—False Advertising, Invoicing, and Labeling.**—**Littler's, Inc.**, is a Washington corporation, with its principal place of business located in Seattle, Wash., engaged in the business of offering for sale, selling and distributing fur products which were made in whole or in part of fur which had been shipped and received in commerce, as the terms "fur product" and "commerce" are defined in the Fur Products Labeling Act. Among such fur products were coats, jackets, stoles, and other articles of wearing apparel composed in whole or in part of fur.

Littler's, Inc. entered into an agreement that in connection with the 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, or the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce of any fur product, as the terms "fur," "fur product" and "commerce" are defined in the Fur Products Labeling Act, it will cease and desist from:

(A) Misbranding fur products by:

(1) Falsely or deceptively labeling or otherwise identifying said fur products, or using labels affixed to such products which contain any form of misrepresentation or deception with respect to such fur products;

(2) Using on labels attached to fur products the name of another animal in addition to the name of the animal actually producing the fur contained in the fur product;

(3) Failing to affix labels to fur products showing:

(a) the name or names of the animal or animals producing the fur contained in the fur product as set forth in the Fur Products Name Guide and as permitted under the Rules and Regulations;

(b) that the fur product contains or is composed of used fur when such is a fact;

(c) the name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it in commerce, sold it in commerce, advertised or offered it for sale in commerce, or transported or distributed it in commerce;

(d) that the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is a fact;

(e) that the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is a fact;

(f) the name of the country of origin of any imported furs used in a fur product;

(4) Mingling, on labels, non-required information with required information;

(5) Using labels that carry required information in abbreviated form or in handwriting;

(B) Falsely or deceptively advertising fur products by:

(1) Advertising fur products in any manner or by any means where the advertisement:

(a) does not show the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to Section 7 (c) of the Act;

(b) does not show that the fur is used fur or that the fur product contains used fur, when such is the fact;

(c) does not show that the fur product or fur is bleached, dyed or otherwise artificially colored fur when such is the fact;

(d) does not show that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

(e) contains the name or names of any animal or animals other than the name or names specified in paragraph (B) (1) (a) above, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur;

(f) does not show the name of the country of origin of any imported furs or those contained in a fur product;

(2) Advertising fur products with comparative prices and percentage savings claims except on the basis of current market values or unless the time of such compared price is given;

(3) Making pricing claims or representations of the type referred to in (B) (2) above unless there is maintained an adequate record

disclosing the facts upon which such claims or representations are based.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Littler's, Inc. that it has engaged in any method, act or practice violative of law. (5623211, Apr. 24, 1956.)

**8750. Sales Promotion Books and Stamps—Lottery Merchandising.**—Gaseteria, Inc., is a corporation with its principal office and place of business located at Indianapolis, Ind., operating a number of retail gasoline filling stations; some located in the State of Indiana and others located in Kentucky.

Gaseteria, Inc., entered into an agreement that in connection with its business, it will cease and desist from shipping, transporting and distributing or causing to be shipped, transported and distributed in commerce, sales promotion books and stamps, or other sales plans or devices which are designed or intended to be used in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Gaseteria, Inc., that it has engaged in any method, act or practice violative of law. (5623038, Apr. 24, 1956.)

**8751. Poison Ivy Drug Treatment—Effectiveness.**—Cedric L. Carwein and Iris Jay Kinyon, copartners trading as Kinreco Products, with their principal office and place of business located at Topeka, Kans., engaged in the business of offering for sale and selling in commerce, a drug product designated "Amber Liquid," entered into an agreement that they will cease and desist from disseminating or causing to be disseminated any advertisement for that product or any other product of substantially similar composition or possessing substantially similar properties as the aforesaid product, whether sold under that name or any other name, which represents directly or by implication:

(a) That the product will have a beneficial effect on poison ivy except to relieve the symptoms of that condition;

(b) That the product will be beneficial for all kinds of skin irritations.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Cedric L. Carwein and Iris Jay Kinyon that they have engaged in any method, act or practice violative of law. (562326, Apr. 24, 1956.)

**8752. Imitation Leather—Nature, Dealer as Manufacturer.**—Leonard I. Freedman and Adele Q. Freedman, copartners trading as Leonard Freedman & Sons, with their place of business in New York, N. Y., engaged as jobbers in the business of offering for sale, selling and

distributing in commerce, among other products, a certain imitation leather material designated "Leatherlen," entered into an agreement that in connection with the offering for sale, sale and distribution in commerce, of that product or any imitation leather product, they and each of them will cease and desist from:

1. Using the brand name "Leatherlen" or any other brand name suggestive of leather or hide to designate or describe said product unless wherever used such name is accompanied by such disclosure of the general nature of the product as will clearly show that it is not leather; and from representing directly or by implication in any manner that the product is leather;

2. Representing directly or by implication that the product contains leather; provided, that this will not be construed as preventing representations that pulverized leather or ground leather is present to the extent of a specified percentage of the finished product, when such is a fact;

3. Using the legend "Manufacturers and Finishers of Genuine Leathers," or otherwise describing their business as other than that of jobbers.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Leonard I. Freedman and Adele Q. Freedman that they have engaged in any method, act or practice violative of law. (5521099, Apr. 24, 1956.)

8753. *Ladies' Coats and Suits—Wool Content.*—Ginsburg & Serkes is a Missouri corporation, with its principal place of business located in St. Louis, Mo., and Ben B. Serkes and H. C. Ginsburg, officers thereof, are engaged in offering for sale, sale and distribution in commerce of ladies' coats and suits.

Said coats and suits are wool products, as the term "wool product" is defined in the Wool Products Labeling Act of 1939, and are subject to the provisions of said Act and the Rules and Regulations promulgated thereunder.

Ginsburg & Serkes, Ben B. Serkes and H. C. Ginsburg entered into an agreement that in connection with the introduction, or manufacture for introduction, into commerce, or the sale, transportation, or distribution in commerce of ladies' coats and suits, or any other wool product within the meaning of said Act, they and each of them will cease and desist from misbranding wool products by:

- (1) Failing to securely affix or to place on such products a stamp, tag, or other means of identification showing in a clear and conspicuous manner:

- (a) the percentage of the total fiber weight of such wool products, exclusive of ornamentation not exceeding five percentum of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such

fiber is five percentum or more and (5) the aggregate of all other fibers;

(b) the maximum percentage of the total weight of such wool product of any nonfibrous loading, filling or adulterating matter;

(c) the name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivering for shipment thereof in commerce as "commerce" is defined in the Wool Products Labeling Act of 1939;

(2) Failing to set forth separately on the required stamp, tag, label, or other means of identification, the character and amount of the constituent fibers of the interlinings of any such wool product;

(3) Failing to set forth the ratio between the face or pile and the back or base of pile fabrics contained in wool products when the fiber content of such parts is stated separately as provided for in Rule 26 of the Rules and Regulations;

(4) Abbreviating or failing to spell out fully all of the words or terms required to be set forth on the fiber content tags or labels attached to wool products.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Ginsburg & Serkes, Ben B. Serkes and H. C. Ginsburg that they have engaged in any method, act or practice violative of law. (5623397, Apr. 24, 1956.)

8754. Furniture—Retailer as Wholesaler, Prices.—Wholesale Furniture Warehouse, Inc., an Alabama corporation, with its principal place of business in Mobile, Ala.; Wholesale Furniture Warehouse, Inc., a Mississippi corporation, with its principal place of business in Gulfport, Miss., and Leon York and John C. York, officers thereof, engaged in the offering for sale and distributing in commerce, of furniture and household appliances, entered into an agreement that in connection with the offering for sale, sale and distribution in commerce, of furniture, household appliances or other merchandise, they and each of them will cease and desist directly or through any corporate device from:

1. Using the word "Wholesale" or any other word or words of similar import as part of any corporate or trade name, or representing in any manner, directly or indirectly, that they operate as a wholesaler or as wholesalers;

2. Representing directly or by implication that the prices at which they offer to sell or sell their merchandise are wholesale prices.

The stipulation provides that the agreement is for settlement purposes only and does not constitute an admission by Wholesale Furniture Warehouse, Inc. (an Alabama corporation), Wholesale Furniture Warehouse, Inc. (a Mississippi corporation), Leon York and John C.