

IN THE MATTER OF  
STANDARD OIL COMPANY OF CALIFORNIA, ET AL.

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

*Docket 8827. Complaint, Dec. 29, 1970 - Decision, Nov. 26, 1974\**

Consent order requiring a San Francisco, Calif., distributor of gasoline and other petroleum products and its New York City advertising agency, among other things to cease misrepresenting that the F-310 additive in its Chevron gasoline will produce pollution-free exhaust. The order further dismisses certain subparagraphs of paragraphs Five and Six of the complaint.

*Appearances*

For the Commission: *Fauster Vittone and Jean F. Greene.*

For the respondents: *Turner H. McBaine, James Michael, William C. Miller, Gary H. Anderson, Roland W. Selman, Pillsbury, Madison & Sutro* for Standard Oil Company of California, San Francisco, Calif., *William D. Greene, Lawrence P. J. Bonaguidi, Burns, Van Kirk, Greene & Kafer* for Batten, Barton, Durstine & Osborn, Inc., New York, N.Y. and *David J. McKean, McKean, Whitehead & Wilson*, Wash., D.C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Standard Oil Company of California, a corporation, and Batten, Barton, Durstine & Osborn, Inc., a corporation hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Standard Oil Company of California is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 225 Bush Street, San Francisco, Calif.

Respondent Batten, Barton, Durstine & Osborn, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 383 Madison Avenue, New York, N.Y.

\*Petitions for review were filed by Standard Oil of California on February 13, 1975 and Batten, Barton, Durstine & Osborn, Inc. on February 14, 1975 in the Court of Appeals for the Ninth Circuit.

Complaint

84 F.T.C.

PAR. 2. Respondent Standard Oil Company of California is now, and for some time past has been, engaged in the sale and distribution of gasoline and other petroleum products under the trade name Chevron and other names to the public.

Respondent Batten, Barton, Durstine & Osborn, Inc. is now and for some time past has been an advertising agency of Standard Oil Company of California; and now prepares and places, and for some time past has prepared and placed for publication, advertising material including but not limited to the advertising referred to herein, for the purpose of promoting the sale of respondent Standard Oil of California's Chevron gasolines with F-310.

PAR. 3. Respondent Standard Oil Company of California in the course and conduct of its business as aforesaid now causes and for some time past has caused its said products, when sold, to be shipped from its place of business in the State of California to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their businesses as aforesaid, and for the purpose of inducing the purchase of Chevron gasolines containing F-310, trademark for a polybutene amine gasoline detergent additive, the respondents have made, and are now making, numerous statements and representations in advertisements published in newspapers and magazines and in other promotional material, and by means of television and radio broadcasts.

Typical of the statements and representations contained in said advertisements, but not all inclusive, are the following:

#### TELEVISION

SCOTT CARPENTER: I'm Scott Carpenter. We're attaching a clear balloon to this car to show you one of the most meaningful gasoline achievements in history. The balloon is filling with dirty exhaust emissions that go into the air and waste mileage.

Now Standard Oil of California has accomplished the development of a remarkable gasoline additive, Formula F-310, that reduces exhaust emissions from dirty engines. The same car, after just six tanksful of Chevron with F-310; no dirty smoke, cleaner air. A major break-through to help solve one of today's critical problems. And since dirty exhaust is wasted gasoline, F-310 keeps good mileage from going up in smoke. Cleaner air, better mileage - Chevron with F-310 turns dirty smoke into good, clean mileage. There isn't a car on the road that shouldn't be using it.

#### NEWSPAPERS AND MAGAZINES

Announcing The Most Long Awaited Gasoline Development in History!  
Remarkable Gasoline Breakthrough From the Research Laboratories of Standard Oil.

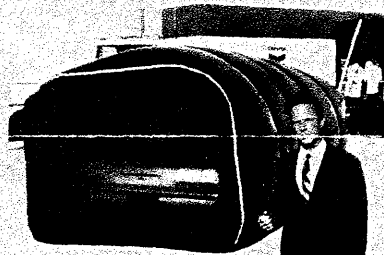
Tests \* \* \* showed that Chevron gasolines with F-310 reduced unburned hydrocarbon and carbon monoxide emissions dramatically. Clearly this is a major step towards solving one of today's most urgent problems.

There isn't a car on the road that shouldn't be using it.

Two such advertisements are reproduced and attached hereto as attachments #1 and #2.

V. BAG PRINT AD

## Remarkable gasoline breakthrough from the research laboratories of Standard Oil



### BEFORE

The car was covered in a thick layer of dirt after the engine running. The dirt stayed in the same dirty exhaust that the exhaust completely blocked the car. This shows how exhaust emissions from dirty engines can foul the air and waste mileage.

Scott Carpenter  
Assistant, American  
Automobile Association  
Member, American  
Automobile Association



### AFTER F-310

The same car - after running on just one barrel of Chevron with Formula F-310. Dirty exhaust emissions reduced sharply. The F-310 prevents soot and soot smoke. Chevron with F-310 turns dirty exhaust into good clean mileage.

## New F-310 in Chevron gasolines turns dirty exhaust into good clean mileage.

Now, research scientists at Standard Oil Company of California have achieved the most long-awaited gasoline development in history! It's a new gasoline additive - Formula F-310 - that sharply reduces dirty exhaust from dirty engines. And they're working on it now.

Tests conducted by Scott Research Laboratories, an independent research group, showed that Chevron gasolines with F-310 reduce unburned hydrocarbon and carbon monoxide exhaust emissions dramatically. Clearly, this is a major step towards solving one of today's most urgent problems.

F-310 also improves mileage, because dirty exhaust is really wasted gasoline. So F-310 friendly keeps good mileage from going up in smoke.

How does an engine produce dirty exhaust in the first

place? As a car accumulates mileage, deposits build up. The amount of gasoline that gets fed into the engine gets fouled. This causes the engine to run dirty, wasting gasoline. As a result, excessive unburned hydrocarbons and carbon monoxide exhaust emissions pollute the air. F-310 can correct this condition. Just six tankfuls can do the job.

Formula F-310, a patented gas-line additive, is now available in all three grades of Chevron gasolines at all Chevron Dealers, Standard Stations in the greater Los Angeles area and southward. As soon as additional supplies are available, we'll be introducing this remarkable development elsewhere throughout the West.



Chevron with F-310. There isn't a car on the road that shouldn't be using it.  
**STANDARD OIL COMPANY OF CALIFORNIA**

IV. BALLOON PRINT AD

# Announcing the most long awaited gasoline development in history!



**BEFORE**

A car that burns more gasoline than it can burn efficiently. It will waste gas along with increased carbon monoxide emissions. You can't see the emissions as dirty smoke. And you can't feel it — not even through the air. It all adds up to a car that is unnecessarily emitting dirty exhaust and wasting gasoline. Just six tanks full with F-310 can correct the condition.

Scott Carpenter  
Chevrolet Research Laboratories

**AFTER F-310**

The same car that burns less gasoline than it can burn efficiently. It will waste less gas along with increased carbon monoxide emissions. You can't see the emissions as dirty smoke. And you can't feel it — not even through the air. It all adds up to a car that is unnecessarily emitting dirty exhaust and wasting gasoline. Just six tanks full with F-310 can correct the condition.

## New F-310 in Chevron gasolines turns dirty exhaust into good clean mileage.

Now, research scientists at Standard Oil Company of California have developed a remarkable new gasoline additive — Formula F-310 — that sharply reduces dirty exhaust from dirty engines. And helps toward cleaner air.

Tests conducted by Scott Chevrolet Research Laboratories, an independent research group, showed that Chevron gasolines with F-310 reduced carbon monoxide and carbon emissions dramatically. Clearly, this is an important step towards solving one of today's major problems.

F-310 also improves mileage, because dirty exhaust is really wasted gasoline. So F-310 literally keeps good mileage from going up in smoke.

What causes an engine to produce dirty exhaust in the first place? Over a period of time, deposits make engines "run rich." They actu-

ally consume more gasoline than they can burn efficiently. It will waste gasoline gas out the exhaust pipe as unburned hydrocarbons along with increased carbon monoxide emissions. You can't see the emissions as dirty smoke. And you can't feel it — not even through the air. It all adds up to a car that is unnecessarily emitting dirty exhaust and wasting gasoline. Just six tanks full with F-310 can correct the condition.

Formula F-310 is patented gasoline additive. It is now in all three grades of Chevron gasolines at all Chevron Dealer Standard Stations in the greater Los Angeles area and southward. As soon as additional supplies are available, we'll be introducing this remarkable development elsewhere throughout the west.



**Chevron with F-310. There isn't a car on the road that shouldn't be using it.**  
**STANDARD OIL COMPANY OF CALIFORNIA**

PAR. 5. By and through the use of the statements, representations, and demonstrations set out in Paragraph Four above, and others of similar import not specifically set out herein, respondents have represented and are now representing that:

1. F-310 additive in Chevron gasolines is a revolutionary development in the reduction of air pollution;
2. Chevron gasolines containing F-310 additive produce motor vehicle exhaust which is generally pollution-free;
3. The use of Chevron gasolines containing F-310 additive will significantly reduce the total amount of air pollution;
4. The use of Chevron gasolines containing F-310 additive will significantly reduce air pollution caused by motor vehicles;
5. The use of Chevron gasolines containing F-310 additive will significantly reduce emissions of carbon monoxide and unburned hydrocarbons from every motor vehicle in which they are used;
6. The balloon and bag demonstrations pictured in respondents' advertising attached hereto as #1 and #2, and in certain of respondents' television advertisements, constitute proof or accurately or visually demonstrate that Chevron gasolines containing F-310 additive reduce motor vehicle emissions of unburned hydrocarbons and carbon monoxide, and significantly reduce air pollution caused by motor vehicles;
7. Every motor vehicle will emit black exhaust in the manner pictured in respondents' advertisements attached hereto as #1 and #2, and in certain of respondents' television advertisements, if operated on motor fuel other than Chevron gasolines containing F-310 additive;
8. The building identified as Standard Oil Company of California Research Center in advertisements attached hereto as #1 and #2, and in certain of respondents' television advertisements, is owned, occupied, or used for research by respondent Standard Oil Company of California;
9. The machine pictured in certain of respondents' television advertising is used by the federal government to measure the total amount of pollution emitted by a motor vehicle;
10. Respondents had conducted or had had others conduct tests or demonstrations which proved or substantiated representations made for F-310 additive in their advertisements attached hereto as #1 #2, and in certain of their television and radio advertisements, before publication or dissemination of such advertisements; these representations include, but are not limited to, the following:
  - (a) Chevron gasolines containing F-310 additive produce motor vehicle exhaust which is generally pollution-free;
  - (b) The use of Chevron gasolines containing F-310 additive will significantly reduce the total amount of air pollution; and will significantly reduce air pollution caused by motor vehicles; and will significantly

reduce emissions of carbon monoxide and unburned hydrocarbons from every motor vehicle in which they are used;

(c) Every purchaser of Chevron gasolines containing F-310 additive will obtain significantly better mileage by or through the use of such gasolines than can be obtained by or through the use of any other commercially available gasoline;

11. F-310 additive or Chevron gasolines containing F-310 additive will clean or keep clean all engines and engine components.

PAR. 6. In truth and in fact:

1. F-310 additive in Chevron gasolines is not a revolutionary development in the reduction of air pollution;

2. Chevron gasolines containing F-310 additive do not produce motor vehicle exhaust which is generally pollution-free; such exhaust contains, among other things, unburned hydrocarbons, carbon monoxide, nitrogen oxides, and particulates, all of which are pollutants;

3. The use of Chevron gasolines containing F-310 will not significantly reduce the total amount of air pollution; F-310 additive has no effect upon industrial and other non-motor vehicle sources of air pollution, and does not significantly reduce air pollution caused by motor vehicles;

4. The use of Chevron gasolines containing F-310 additive will not significantly reduce air pollution caused by motor vehicles; F-310 additive has little, if any, effect upon, for example, nitrogen oxides and lead particulates, which are air pollutants; in addition, exhaust from motor vehicles using Chevron gasolines contains, among other things, unburned hydrocarbons and carbon monoxide, which are air pollutants;

5. The use of Chevron gasolines containing F-310 additive will not significantly reduce emissions of carbon monoxide and unburned hydrocarbons from every motor vehicle in which they are used;

6. The balloon and bag demonstrations pictured in respondents' advertisements attached hereto as #1 and #2, and in certain of respondents' television advertisements, do not constitute proof or accurately or visually demonstrate that Chevron gasolines containing F-310 additive reduce motor vehicle emissions of unburned hydrocarbons and carbon monoxide; motor vehicle emissions of unburned hydrocarbons and carbon monoxide are relatively colorless. Neither do such demonstrations constitute proof or accurately or visually demonstrate that Chevron gasolines containing F-310 additive significantly reduce air pollution caused by motor vehicles; among other things, the black exhaust was produced by an atypically dirty engine, and the "clear" motor vehicle exhaust pictured is not generally free of air pollutants; it contains, among other things, unburned hydrocarbons, carbon monox-

ide, nitrogen oxides, and lead particulates, all of which contribute to air pollution;

7. Every motor vehicle will not emit black exhaust in the manner pictured in respondents' advertisements attached hereto as #1 and #2, and in certain of respondents' television advertisements, if operated on motor fuel other than Chevron gasolines with F-310 additive.

8. The building identified as Standard Oil Company of California Chevron Research Center in respondents' advertisements attached hereto as #1 and #2, and in certain of respondents' television advertisements, is not owned, occupied, or used for research by respondent Standard Oil Company of California; the building pictured is the Riverside County Court House, located in Palm Springs, California;

9. The machine pictured in certain of respondents' television advertising is not used by the federal government to measure the total amount of pollution emitted by a motor vehicle;

10. Respondents had not conducted or had others conduct tests or demonstrations which proved or substantiated representations made for F-310 additive in their advertisements attached hereto as #1 and #2, and in certain of their television and radio advertisements, before publication or dissemination of such advertisements; these representations include, but are not limited to, the following:

(a) Chevron gasolines containing F-310 additive produce motor vehicle exhaust which is generally pollution-free;

(b) The use of Chevron gasolines containing F-310 additive will significantly reduce the total amount of air pollution; and will significantly reduce air pollution caused by motor vehicles; and will significantly reduce emissions of carbon monoxide and unburned hydrocarbons from every motor vehicle in which they are used;

(c) Every purchaser of Chevron gasolines containing F-310 additive will obtain significantly better mileage by or through the use of such gasolines than can be obtained by or through the use of any other commercially available gasoline;

11. F-310 additive or Chevron gasolines containing F-310 additive will not clean or keep clean all engines and engine components; F-310 additive reduces the accumulation of deposits in the carburetor and in or on certain other engine components.

Therefore, the aforesaid statements, representations, and demonstrations set forth in Paragraphs Four and Five were and are false, misleading, and deceptive.

PAR. 7. In the course and conduct of its business as aforesaid, and at all times mentioned herein, respondent Standard Oil Company of California has been and is now in substantial competition in commerce with corporations, firms and individuals in the sale of gasolines and other



petroleum products of the same general kind and nature as that sold by respondent.

In the course and conduct of its business as aforesaid, and at all times mentioned herein, respondent Batten, Barton, Durstine & Osborn, Inc. has been, and is now, in substantial competition, in commerce with corporations, firms and individuals in the advertising business.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and demonstrations has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements, representations and demonstrations were and are true and into the purchase of substantial quantities of Chevron gasolines with F-310 by reason of said erroneous and mistaken belief.

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

INITIAL DECISION BY ELDON P. SCHRUP, ADMINISTRATIVE LAW  
JUDGE

APRIL 25, 1973

#### Preface

The following abbreviations are hereinafter used:

Standard—Respondent Standard Oil Company of California;

BBD&O—Respondent Batten, Barton, Durstine & Osborn, Inc.;

Chevron Research—The Chevron Research Company, including its personnel at the research center in Richmond, California;

Compl.—Complaint. Paragraphs and sub-paragraphs of the complaint will be designated as in this example: Five-3—subparagraph 3 of paragraph Five of the complaint;

Ans.—Answer to the Complaint;

Tr.—Transcript of testimony;

CX—Commission exhibit;

RXS or RSX--Respondent Standard's exhibit;

Stip.Fact—A fact stipulated to by the parties, most of which are contained in RXS-113 and in the Transcript (Tr. 859-862);

Stip.Evid—Documentary evidence stipulated into the record by the parties, most of which is contained in RXS-114.

All emphasis and underscoring herein has been added unless otherwise indicated.

## STATEMENT OF THE PROCEEDINGS

The complaint in this matter charges the respondents with violating Section 5 of the Federal Trade Commission Act in the national advertising and sale to the consumer public of Chevron brand gasoline containing the additive F-310. Following extensive prehearing conferences, hearings were held in Wash., D.C., San Francisco and Los Angeles, Calif.

The official record consists of some 6,000 pages of transcript and approximately 500 documentary and physical exhibits of voluminous and complicated technical content. No members of the consumer public as such were called as witnesses by complaint counsel to testify to the public understanding of the purported meaning of the challenged advertising as alleged in the complaint. The names of the many witnesses testifying and their testimony are found in the official transcript as follows:

I. *Wash., D.C.: Mar. 27 - Mar. 29, 1972.*

John M. Miller, Houston, Tex. Project Director, Marplan Research Inc., McCann-Ericson Advertising Agency. Called as a witness by complaint counsel. Tr. 951-1058

Glenn C. Messer, Chesterland, Ohio. Director of Marketing Services, Marschalk Company advertising agency. Called as a witness by complaint counsel. Tr. 1059-1177

William Weitzman, New York, N.Y. Manager of Consumer Advertising Research, Atlantic-Richfield Company. Called as a witness by complaint counsel. Tr. 1177-1206

Brian T. Hitch, Atlanta, Ga. Manager of Marketing, Planning and Research, BP Oil Corporation. Called as a witness by complaint counsel. Tr. 1207-1236

Arthur Levy, Worthington, Ohio. Senior Fellow, Atmospheric Chemistry and Combustion Systems Division, Battelle Memorial Institute. Called as a witness by complaint counsel. Tr. 1252-1404

Palmer B. Stickney, Columbus, Ohio. Ph.D. in Physical Chemistry; employed in research of rubber damage due to air pollution, Battelle Memorial Institute. Called as a witness by complaint counsel. Tr. 1404-1427

II. *San Francisco, Calif.: Apr. 18 - Apr. 25, 1972.*

Lyndon R. Babcock, Jr., Chicago, Ill. Ph.D. in Air Research Engineering; employed teaching environmental engineering with relation to air pollution, University of Ill. Called as a witness by complaint counsel. Tr. 1526-1704

Lawrence Light, V.P. of respondent BBD & O. Ph.D. in psychology and responsible for marketing research and evaluation of opinion surveys and techniques. Called as a witness by respondent BBD & O. Tr. 1721-1875

J. Roy Bardsley, Portland, Ore. President, Bardsley and Haslacher, Marketing and Public Opinion Research. Called as a witness by complaint counsel. Tr. 1920C - 1920Z-10

James Cormack, Senior Analyst, Consumer Research, Standard Oil Company of California. Called as a witness by respondent Standard Oil. Tr. 1920Z-12—1920Z-37

III. *Los Angeles, Calif.: Apr. 27 - May 3, 1972.*

Joseph Behar, Riverside, Calif. Ph.D. in Chemistry; Asst. Research Chemist and Asst. Director of Project Clean Air, University of Calif. Statewide Air Pollution Research Center. Called as a witness by complaint counsel. Tr. 1923-2065

Joseph Byrne, Los Angeles, Calif. V.P. of Marketing, Western Region, Union Oil Company of California. Called as a witness by complaint counsel. Tr. 2144-2154

Russell P. Sherwin, M.D., Los Angeles, Calif. Professor of Pathology, Univ. of Southern Calif., School of Medicine, specializing in medical area of lung diseases. Called as a witness by complaint counsel. Tr. 2235-2312

Albert S. Bush, Northridge, Calif. Professor in School of Engineering and Applied Science; Professor in School of Public Health, UCLA; Head of UCLA Air Pollution Test Facility and Air Pollution Laboratory. Called as a witness by complaint counsel.

Tr. 2340-2432

James E. Edinger, Los Angeles, Calif. Ph.D. and Associate Professor of Meteorology, Univ. of Calif., in conducting research in air pollution problems from meteorological aspect. Called as a witness by complaint counsel. Tr. 2434-2502

Stanley N. Rokaw, M.D., Los Angeles, Calif. Specializes in medical area of chest diseases with research in pulmonary physiology and air pollution effects on human health. Called as a witness by complaint counsel. Tr. 2507-2574

John Chipman, Anaheim, Calif. Supervising Engineer, Air Resources Board, State of Calif., formerly with County of Los Angeles, Air Pollution Control District. Called as a witness by complaint counsel. Tr. 2577-2790

IV. *Wash., D.C.: May 17 - May 24, 1972.*

Robert N. Rickles, Stamford, Conn. Ph.D. Chemical Engineering; Executive Director for the Institute of Public Transportation, New York City, formerly Commissioner of Air Resources, New York City. Called as a witness by complaint counsel. Tr. 2800-2899

Thaddeus J. Murawski, M.D., Schenectady, New York. Employed as consultant to the Director of Air Resources, Department of Health, New York State. Called as a witness by complaint counsel. Tr. 2902-2955

Robert E. Carroll, M.D., Delmar, N.Y. Professor of Preventive and Community Medicine, Chairman of the Department, Albany Medical College. Called as a witness by complaint counsel. Tr. 2957-3003

Kenneth D. Mills, Saline, Mich. General Manager, Laboratory Equipment Corporation, Mooresville, Ind. Former positions included Acting Director, Division of Motor Vehicle Pollution Control, HEW, and an assignment to provide Federal technical assistance to the California Motor Vehicle Pollution Control Board. Called as a witness by complaint counsel. Tr. 3026-3154

Walter W. Heck, Raleigh, N.C. Ph.D. in Botany; in charge of the research on the effects of air pollution on vegetation, Environmental Research Center, Triangle Park, N.C. Called as a witness by complaint counsel. Tr. 3157-3194

R.W. Hurn, Bartlesville, Okla. Research Supervisor, Fuels Combustion Research Projects, U.S. Bureau of Mines, Energy Research Center, Bartlesville, Okla. Called as a witness by complaint counsel. Tr. 3196-3344

Aubrey P. Altschuller, Chapel Hill, N.C. Ph.D. in Physical Chemistry; Director of Division

