

Findings

IN THE MATTER OF
SYNTHETIC PRODUCTS COMPANY

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER
26, 1914

Docket 1372—October 9, 1926

SYLLABUS.

Where a corporation engaged in the manufacture of a compound for use in softening rubber and rendering it more resilient, and in the sale thereof, designated, labeled, branded, and advertised the same as "liquid rubber" notwithstanding the fact said product contained no rubber; with the capacity and tendency to mislead and deceive purchasers in reference to the composition thereof and induce the purchase of such product in said mistaken belief and thereby divert trade from competitors who truthfully designated and described their products: .

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. T. B. Dixon for the Commission.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent, an Ohio corporation engaged in the manufacture of a compound for use in softening and rendering rubber more resilient and in the sale thereof to manufacturers of rubber articles in various States, and with principal office and place of business in Cleveland, with naming product misleadingly, misbranding, or mislabeling and advertising falsely or misleadingly, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce, in that, for more than a year preceding the complaint it labeled and branded its said product as "Liquid Rubber", and so advertised the same in various pamphlets, leaflets and other literature offering its said products and issued to the trade and describing the uses thereof, notwithstanding the fact that said product contained no rubber whatsoever, with the capacity and tendency to mislead and deceive customers and prospective customers in respect of the composition thereof and to induce the purchaser of said product in such mistaken belief; all to the prejudice of the public and respondent's competitors.

Upon the foregoing complaint, the Commission made the following

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of an act of Congress approved September 26, 1914, the Federal Trade Commission issued and served a com-

plaint upon the respondent, Synthetic Products Co., charging it with the use of unfair methods of competition in commerce in violation of the provisions of section 5 of said act.

Respondent having entered its appearance, hearing was had before an examiner of the Commission theretofore duly appointed and testimony and evidence were introduced in support of the allegations of the complaint. Thereafter the examiner made his report upon the facts, no exceptions thereto having been taken by the respondent or by counsel for the Commission.

Whereupon this proceeding came on for decision, respondent waiving right to file brief or present oral argument, and the Commission having considered the record and being advised in the premises makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Synthetic Products Co., is now and has been since 1917 a corporation duly incorporated under the laws of the State of Ohio with its principal office and place of business in the city of Cleveland in said State, and since its incorporation has been and is now engaged in the business of manufacturing under a secret formula a compound for use in softening rubber and rendering same more resilient, and selling said product to manufacturers of rubber products located in various States of the United States. It causes its said product when so sold to be transported from its said principal place of business in the city of Cleveland, Ohio, into and through other States of the United States to purchasers at their various points of location. In the regular course and conduct of its business respondent is in competition with other corporations, partnerships, and individuals engaged in the manufacture and sale of similar products for use in softening rubber.

PAR. 2. In the course and conduct of its business for more than a year last past respondent has designated and described its said product by the term "Liquid Rubber" and has labeled and branded said product "Liquid Rubber" and has published or caused to be published various pamphlets, leaflets, newspaper advertisements and other literature offering said product for sale in all of which it used the term "Liquid Rubber" to designate and describe its said product. The said advertising literature was circulated by respondent throughout the various States of the United States to customers and prospective customers. Respondent's said product during the times herein mentioned did not and does not now contain rubber.

PAR. 3. The designation, labeling, branding, and advertising of said product as "Liquid Rubber" by respondent as set out above

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has the capacity and tendency to mislead and deceive purchasers of said product by causing them to believe that the said product so designated, labeled, branded, and advertised is composed of rubber and to cause them to purchase the said product in that belief, thereby diverting trade from competitors of respondent who truthfully designate and describe their products.

CONCLUSION

The practices of respondent, Synthetic Products Co., under the circumstances set forth in the foregoing findings as to the facts are to the prejudice of the public and respondent's competitors and constitute unfair methods of competition in interstate commerce in violation of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its power and duties, and for other purposes".

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, testimony and evidence offered before the trial examiner, briefs and oral argument being waived, and the Commission having made its findings as to the facts and its conclusion that the respondent has violated the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes",

It is ordered, That respondent, Synthetic Products Co., its officers, servants, agents, and employees do cease and desist from using the term "Liquid Rubber" as a name or brand or on labels or in pamphlets, circulars, newspaper advertisements or otherwise to designate and describe respondent's product for use in softening rubber.

It is further ordered, That respondent, Synthetic Products Co., shall within sixty days after the service upon it of a copy 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 hereinbefore set forth.

Findings

10 F. T. C.

plaint upon the respondent, Synthetic Products Co., charging it with the use of unfair methods of competition in commerce in violation of the provisions of section 5 of said act.

Respondent having entered its appearance, hearing was had before an examiner of the Commission theretofore duly appointed and testimony and evidence were introduced in support of the allegations of the complaint. Thereafter the examiner made his report upon the facts, no exceptions thereto having been taken by the respondent or by counsel for the Commission.

Whereupon this proceeding came on for decision, respondent waiving right to file brief or present oral argument, and the Commission having considered the record and being advised in the premises makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Synthetic Products Co., is now and has been since 1917 a corporation duly incorporated under the laws of the State of Ohio with its principal office and place of business in the city of Cleveland in said State, and since its incorporation has been and is now engaged in the business of manufacturing under a secret formula a compound for use in softening rubber and rendering same more resilient, and selling said product to manufacturers of rubber products located in various States of the United States. It causes its said product when so sold to be transported from its said principal place of business in the city of Cleveland, Ohio, into and through other States of the United States to purchasers at their various points of location. In the regular course and conduct of its business respondent is in competition with other corporations, partnerships, and individuals engaged in the manufacture and sale of similar products for use in softening rubber.

PAR. 2. In the course and conduct of its business for more than a year last past respondent has designated and described its said product by the term "Liquid Rubber" and has labeled and branded said product "Liquid Rubber" and has published or caused to be published various pamphlets, leaflets, newspaper advertisements and other literature offering said product for sale in all of which it used the term "Liquid Rubber" to designate and describe its said product. The said advertising literature was circulated by respondent throughout the various States of the United States to customers and prospective customers. Respondent's said product during the times herein mentioned did not and does not now contain rubber.

PAR. 3. The designation, labeling, branding, and advertising of said product as "Liquid Rubber" by respondent as set out above

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Order

has the capacity and tendency to mislead and deceive purchasers of said product by causing them to believe that the said product so designated, labeled, branded, and advertised is composed of rubber and to cause them to purchase the said product in that belief, thereby diverting trade from competitors of respondent who truthfully designate and describe their products.

CONCLUSION

The practices of respondent, Synthetic Products Co., under the circumstances set forth in the foregoing findings as to the facts are to the prejudice of the public and respondent's competitors and constitute unfair methods of competition in interstate commerce in violation of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its power and duties, and for other purposes".

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, testimony and evidence offered before the trial examiner, briefs and oral argument being waived, and the Commission having made its findings as to the facts and its conclusion that the respondent has violated the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes",

It is ordered, That respondent, Synthetic Products Co., its officers, servants, agents, and employees do cease and desist from using the term "Liquid Rubber" as a name or brand or on labels or in pamphlets, circulars, newspaper advertisements or otherwise to designate and describe respondent's product for use in softening rubber.

It is further ordered, That respondent, Synthetic Products Co., shall within sixty days after the service upon it of a copy 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 hereinbefore set forth.

Complaint

10 F. T. C.

IN THE MATTER OF
GREAT LAKES RUBBER PRODUCTS COMPANY

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER
26, 1914

Docket 1876—October 9, 1926

SYLLABUS.

Where a corporation engaged in the manufacture of a compound for use in softening rubber and rendering it more resilient, and in the sale thereof, designated, labeled, branded and advertised the same as "rubberite compound," notwithstanding the fact said product contained no rubber; with the capacity and tendency to mislead and deceive purchasers in reference to the composition thereof and thereby induce its purchase and divert trade from competitors who truthfully designated and described their products:

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. T. B. Dixon for the Commission.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent, an Ohio corporation engaged in selling a compound, bought by it from the manufacturers, for use in softening and rendering rubber more resilient, to manufacturers of rubber articles in the various States, and with principal office and place of business in Cleveland, with naming product misleadingly, misbranding or mislabeling, advertising falsely or misleadingly, and misrepresenting business status, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce, in that for more than a year preceding the complaint, it labeled and branded said product as "Rubberite Compound" and so advertised the same in various pamphlets, leaflets and other literature issued to the trade offering its said product and describing the uses thereof, notwithstanding the fact that said product contained no rubber whatsoever, and in its aforesaid advertising, pamphlets and other trade literature and upon its letterheads, billheads, and other business stationery set forth false representations to the effect that it manufactured the aforesaid compound, with the capacity and tendency to mislead and deceive customers and prospective customers in respect of the composition thereof and to cause the purchase of said product by them as and for one containing rubber, and also into believing that in purchasing from it they were dealing directly with