

IN THE MATTER OF
**FRANK P. SNYDER, TRADING UNDER THE NAME AND
STYLE OF ALWAYS READY PRODUCTS COMPANY**

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

Docket 1477. Complaint, July 27, 1927—Decision, Oct. 15, 1927

Where an individual engaged in producing a solution for use in electric storage batteries, and in the sale thereof to wholesale and retail dealers, purchasers, and members of the consuming public; in advertising the same,

- (a) Represented and stated that it (1) would instantly charge batteries, would do so in from 20 to 40 minutes, and without the induction of current from any other source, and when the batteries were "dead"; (2) would not injure, overheat or overcharge the battery or freeze; (3) would not rot or harm the separators thereof, but would keep the plates free from sulphation; (4) contained less sulphuric acid than other solutions on the market and in common use and caused less deterioration; and (5) in the foregoing and in other respects was superior to other solutions, the fact being that the solution in question would not charge batteries instantly, or at all without the induction of current from some other source, would freeze at temperatures frequently prevailing in various parts of the United States during the winter months, contained substantially the same amount and proportion of sulphuric acid as other solutions on the market and in common use, and in other respects produced results not substantially different from those of the other solutions;
- (b) Made such statements in circulars, leaflets, and printed matter describing said solution and distributed by him to wholesale and retail dealers and members of the consuming public as "Always-Ready battery solution solves the problem because it is easy to use and comes ready for instant service. No longer is it necessary to charge a battery for two to four days on a line. * * * The modern battery Fluid. New life for your battery. Charges batteries quickly. No more long charging on the line", "Always Ready amazes automotive America. Charges batteries while you wait", "Remove battery from car, turn it upside down so as to empty all the liquid it contains. It is not necessary, but we advise washing the battery out with distilled water. Refill with 'Always Ready' so that the plates are completely covered, let stand for ten minutes and if the plates are in even fair condition, the battery will be fully charged", "Frequently Always Ready will completely charge a battery before you actually get it back into the car and wired up";

With the capacity and tendency to mislead and deceive purchasers and dealers and cause the same and members of the consuming public to purchase the solution in question in reliance upon the truth of the foregoing statements and representations, and with the effect of diverting business from and otherwise injuring competitors who do not misrepresent the nature, effect, or ingredients of their solutions;

Held, That such false and misleading advertising, under the circumstances set forth, constituted unfair methods of competition.

Mr. E. J. Hornibrook 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 individuals, engaged in production of a battery solution for use on electric storage batteries, and in the sale thereof to wholesale and retail dealers, purchasers and members of the consuming public among the several States, and with principal place of business at Williamsport, Pa., with 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.

Respondent, as charged, made the following statements, representations and advertisements, among others, concerning his said solution, namely, that it would instantly charge batteries, would charge them in from 20 to 40 minutes time, without the induction therein of electric current from any other source, would charge them when they were "dead," would not injure, overheat or overcharge the batteries, would not freeze, would not rot or harm the separators, would keep the plates free from sulphation, contained less sulphuric acid than other solutions on the market and in common use, caused less deterioration than caused by others, and in the foregoing and in other respects was superior to such other solutions; and in circulars and other matter distributed among wholesale and retail dealers and the consuming public made statements of a similar tenor, such as "Refill with 'Always Ready' so that the plates are completely covered. Let stand for 10 minutes and if the plates are in even fair condition the battery will be fully charged," "Always Ready amazes automotive America. Charges batteries while you wait"; the fact being that the solution in question did not instantly charge batteries, would not charge them with electricity without induction of current from any other source, would freeze at temperatures frequently prevailing in various parts of the United States during the winter, contained substantially the same amount in proportion of sulphuric acid as other commonly used solutions, and produced results not substantially different from those produced by such other solution.

Such false, deceptive and misleading statements and assertions, as charged, had the capacity and tendency to mislead and deceive purchasers and dealers, and to cause them and members of the consuming public to purchase respondent's solution in reliance upon the

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truth of such statements, assertions and representations, and also had the tendency and the effect of diverting business from and otherwise injuring competitors who do not misrepresent the nature, effect and ingredients of their solution.

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 complaint upon the respondent, Frank P. Snyder, trading under the name and style of Always Ready Products Co., on July 27, 1927, charging him with the use of unfair methods of competition in commerce in violation of the provisions of said act, together with notice that answer should be filed within 30 days after service of the complaint unless extended by the Commission, and with a copy of the rules of practice of the Commission as to answers (Rule III).

Thereupon, this proceeding came on for decision, and respondent, having failed to answer within the time required by the rules (which has not been extended), or at all, and the Federal Trade Commission having duly considered the record and being now fully advised in the premises, pursuant to Rule of Practice III, subdivision 3, makes this its report, stating its findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Frank P. Snyder, the respondent herein, is an individual trading under the name and style of Always Ready Products Co., with his principal place of business at Williamsport, in the State of Pennsylvania. He is engaged in producing a battery solution for use in electric storage batteries, and in the sale of such solution to wholesale and retail dealers, purchasers and members of the consuming public among the several States. Respondent causes such solution to be transported from his said place of business to purchasers, vendees and others at their respective places of business among the several States of the United States.

PAT. 2. For the purpose of selling the solution so produced, the respondent devised and prepared and now uses certain statements, representations, and advertisements concerning said solution, and caused and causes the same to be printed, published, distributed, and circulated among the several States of the United States.

PAR. 3. Among the statements, representations, and advertisements so made and distributed by respondent concerning said solution and its nature and effect, are the following:

That said solution will instantly charge electrical storage batteries with electric current; that it will charge such batteries in from 20 to 40 minutes time; that it will so charge such batteries without the induction therein of electric current from any other source or in any other manner; that it will charge such batteries when the same are "dead," that is, when they will no longer produce electric energy; that said solution will not injure, overheat, or overcharge said batteries; that such solution will not freeze, and that it will not rot or harm the separators of such batteries and will keep the plates of such batteries free from sulphation; that said solution contains less sulphuric acid than other storage battery solutions on the market and in common use; that respondent's solution causes less deterioration in batteries than is caused by the use of other solutions for use in electric storage batteries; that in the foregoing and in other respects, respondent's solution is superior to other battery solutions upon the market and in common use.

PAR. 4. In the course of his business, as above described, respondent prepared certain circulars, leaflets, and other printed productions describing said solution and the nature and ingredients thereof, together with assertions regarding the results to be obtained from its use. The respondent distributes such circulars, leaflets, and printed matter to wholesale and retail dealers and to members of the consuming public among the several States. In such circulars, leaflets, and printed matter, the respondent makes false, deceptive and misleading statements regarding such solution and its nature, effect and ingredients, and among such statements are the following:

Always Ready battery solution solves the problem because it is easy to use and comes ready for instant service. No longer is it necessary to charge a battery for two to four days on a line. * * * The modern battery fluid. New life for your battery. Charges batteries quickly. No more long charging on the line.

Always Ready amazes automotive America. Charges batteries while you wait.

Remove battery from car, turn it upside down so as to empty all the liquid it contains. It is not necessary, but we advise washing the battery out with distilled water. Refill with Always Ready so that the plates are completely covered, let stand for 10 minutes, and if the plates are in even fair condition, the battery will be fully charged.

Frequently Always Ready will completely charge a battery before you actually get it back into the car and wired up.

PAR. 5. The statements, representations, and advertisements described in paragraphs 2, 3, and 4 hereof, are false, deceptive, and misleading in the following and other respects, viz:

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Said solution does not instantly charge electric storage batteries with electricity; it will not charge such batteries with electricity without the induction of current from any other source; storage batteries in which said solution is used can be charged with electricity only by the induction of a current of electricity from a source other than said solution; said solution will freeze at temperatures frequently prevailing in various parts of the United States during the winter months; said solution contains substantially the same amount and proportion of sulphuric acid in relation to the other contents thereof as other electric storage-battery solutions on the market and in common use; and as regards other assertions hereinabove set out, said solution produces results not substantially different from the results produced by other solutions on the market and in common use in electric storage batteries.

PAR. 6. The false, deceptive, and misleading statements, assertions and advertisements hereinabove described have the capacity and tendency to mislead and deceive purchasers and dealers and to cause dealers and members of the consuming public to purchase the solution produced by the respondent in the belief that such statements, assertions and representations are true. Among the competitors of respondent are many persons who do not misrepresent the nature, effect and ingredients of the solutions prepared and sold by such competitors, and the false, deceptive, and misleading statements so made by respondent tend to and do divert business from respondent's competitors, and otherwise injure them.

CONCLUSION

That the facts and things done by the respondent, Frank P. Snyder, as set out in the above findings as to the facts, constitute an unfair method 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 powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission, and the Commission having made its findings as to the facts and its conclusion that respondent has violated the provisions of the 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",

Now, therefore, it is ordered, That the respondent, Frank P. Snyder, his agents, servants, and employees, cease and desist—

1. From making either in advertisements, circulars, leaflets, or other printed form and from representing in any other manner, in connection with the sale of the battery solution manufactured by him for use in electric storage batteries, any of the following false statements, to wit, that such solution will instantly charge electric storage batteries with electric current; or that it will charge such batteries in from 20 to 40 minutes time; or that it will so charge such batteries without the induction therein of electric current from any other source or in any other manner; or that it will charge such batteries when the same are "dead", that is, when they will no longer produce electric energy; or that said solution will not injure, overheat, or overcharge said batteries; or that such solution will not freeze and that it will not rot or harm the separators of such batteries, and will keep the plates of such battery free from sulphation; or that said solution contains less sulphuric acid than other battery solutions on the market and in common use; or that said solution causes less deterioration in batteries than is caused by the use of other battery solutions on the market and in common use.

2. From making or using in circulars, leaflets, or other printed matter in connection with the advertising or sale of said battery solution, the following misleading statements; or other statements of similar import.

No longer is it necessary to charge a battery for 2 or 4 days on a line. The modern battery fluid. New life for your battery. Charges batteries quickly. No more long charging on a line. Always Ready amazes automotive America. Charges batteries while you wait. Remove battery from car, turn it upside down so as to empty all the liquid it contains. It is not necessary, but we advise washing the battery out with distilled water. Refill with Always Ready so that the plates are completely covered. Let stand for 10 minutes and if the plates are in even fair condition, the battery will be fully charged. Frequently Always Ready will completely charge a battery before you actually get it back into the car and wired up.

It is further ordered, That the respondent, Frank P. Snyder shall within 30 days after the date of the service upon it of this order, file with the Commission his report in writing setting forth in detail the manner and form in which this order has been complied with and conformed to.

IN THE MATTER OF
WASHINGTON CEREAL ASSOCIATION, ITS OFFICERS
AND MEMBERS, OREGON CEREAL AND FEED ASSO-
CIATION, ITS OFFICERS AND MEMBERS, AND PRES-
TON-SHAFFER MILLING COMPANY

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

Docket 1345. Complaint, Sept. 9, 1925—Decision, Oct. 27, 1927

Where two associations composed of individuals, partnerships and corporations engaged in the milling of grain and/or the wholesaling of flour and other cereal products, and of feed and feed stuffs for cattle and poultry, in the states of Washington and Oregon, to wholesale and retail dealers, bakery and large quantity consumers in the aforesaid and other states and, together with a concern similarly engaged, manufacturing in the aggregate over 75 per cent and over 50 per cent, respectively, of the entire amount of flour produced annually in the two states, and over 60 per cent of the flour produced in Washington, Oregon, and Idaho; and the officers, members and committees thereof; in pursuance of an unlawful combination and conspiracy entered into with the intent and effect of suppressing competition in the sale of their products throughout the aforesaid and other states, and of fixing uniform prices, price levels, discounts, and terms and conditions of sale, distribution and delivery of said products in such territory, and acting within and through each association, and the membership thereof; and in conjunction and cooperation with said concern,

- (a) Agreed upon, fixed and abided by uniform prices, discounts, and terms and conditions of sale, distribution and delivery of the products involved for and in the territory served by the respective members;
- (b) Agreed to inform and informed the respective secretaries of contemplated changes in prices, discounts, terms and conditions sufficiently in advance of the taking effect thereof to enable them to advise other members of such contemplated changes by letters, bulletins, telegrams and otherwise in order that such members might put said changes into effect;
- (c) Took action through correspondence, association meetings, and their respective secretaries to eliminate the changes or rearrange the prices, discounts, terms and conditions in a manner agreeable to all;
- (d) Revised such uniform prices, discounts, etc., from time to time through association meetings and otherwise, but so that they remained uniform;
- (e) Supplied the respective members with lists compiled by the respective secretaries, of such uniform prices, etc.;
- (f) Supplied the respective memberships through exchanges by the respective secretaries, with copies of the lists of prices, etc. of the other association;
- (g) Agreed to and did abide by and observe prices, etc. of the other association in force and applying in its territory when doing business therein; and