

Complaint

17 F.T.C.

IN THE MATTER OF

FRANK J. CLARK, AN INDIVIDUAL TRADING UNDER
THE NAME AND STYLE SYNCRO MOTORS COMPANYCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5.
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2032. Complaint, May 10, 1932—Order, Sept. 21, 1932*

Consent order requiring respondent, his agents, etc., in connection with sale in interstate commerce of an automobile device variously described as "Syncro", "Syncro system ignition", and "High-frequency spark transformer", to cease and desist from—

Representing that proper installation and use thereof on an automobile, (1) reduces gasoline consumption per mile from 25 percent to 33 percent, (2) prolongs life of crank case oil and eliminates necessity for change oftener than 2,500 miles, (3) eliminates carbon formation, (4) prevents spark plug fouling, (5) enables quicker starting, (6) gives complete combustion, (7) saves gas and oil wonderfully, (8) is indispensable, (9) applies wonderful new form of electricity comparable with radio, (10) is miniature welding flame, and (11) creates an "ionized field" about the plug points exerting a chemical influence on gas; and, in connection with sale to prospective purchasers or agents, for resale, to cease and desist from—

Representing falsely that he has made any special selection of such "agents" by reason of their personal qualifications or otherwise, or has put on an advertising campaign to promote the sales of such agents, or has inquiries from dealers or other prospective customers awaiting agent's attention.

Mr. PGad B. Morehouse for the Commission.

COMPLAINT

Acting in the public interest, pursuant to 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", the Federal Trade Commission charges that Frank J. Clark, an individual, trading under the name and style Syncro Motors Co., has been and now is using unfair methods of competition in interstate commerce in violation of section 5 of said act, and states its charges in that respect as follows:

PARAGRAPH 1. The respondent, Frank J. Clark, under the name and style of Syncro Motors Co., at Battle Creek, Mich., for more than two years last past has been and now is engaged in the manufacture of a patented automobile accessory or device, variously known and described as "Syncro", "Syncro system ignition", and "High-frequency spark transformer". This device consists of a lacquered metal cylinder about $2\frac{5}{8}$ inches in diameter and $5\frac{1}{4}$ inches in length which readily may be suspended from the radiator tierod of any

automobile. From one end of the cylinder protrude two insulated wires marked "C" and "D" the former for attachment to the spark coil and the latter for connection with the distributor, whereby it may become connected in series with the secondary circuit of the ignition system. In such connection the said device operates as an induction coil, intensifying the spark discharge across the spark plug gap in the head of the engine cylinder.

Respondent advertises in the classified columns of newspapers throughout the country for agents. Upon contact being established with a prospective agent respondent mails the latter a series of form letters by means of which he solicits and sells for cash in advance and for cash on delivery said devices, in quantities of from one to a gross, to the said agents and to other customers procured by said agents.

When sold, said devices are shipped by respondent from his factory at Battle Creek, Mich., into and through various other States of the United States, usually to "agent" customers for both their own use, and resale at a profit to other ultimate consumers, and also in many instances directly to the ultimate consumer.

PAR. 2. In the course and conduct of his business aforesaid respondent is in competition with others engaged in the sale and distribution in interstate commerce of other automobile engine accessories, devices or attachments, including spark intensifiers, transformers, converters, and condensers, many of which are similar to respondent's aforesaid device, and all of which are designed to and do accomplish the same purpose as respondent's device when installed in the ignition system of an internal-combustion engine.

PAR. 3. In the course and conduct of his business as aforesaid, by letters, circulars, leaflets and other advertising media, sent to prospective agents and other customers, respondent has made and does make false and misleading representations with reference to the effect of said device when properly installed as aforesaid, to wit:

1. That it will reduce the amount of gasoline consumed per mile from 25 percent to 35 percent.
2. That it will prolong the life of crank case oil and that due to its use change of oil is not necessary oftener than every 2,500 miles.
3. That it will eliminate the formation of carbon in the cylinders.
4. That it will prevent the fouling of spark plugs.
5. That it will increase the power of the engine.
6. That it will give quick starting to a cool motor.
7. *Many Dollars Saved.*—Increased miles per gallon of gasoline—you will positively gain this with the Syncro. And with complete combustion there will be no waste—no carbon. So your Syncro makes double saving for you. It pays for itself by the gasoline and oil it saves—and gives you a better driving car.

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8. The Syncro is a wonderful gas and oil saver. It starts the motor quicker and easier. It is a valuable and indispensable instrument.

9. *Amazing oil saving.*—Oil must be changed in a car with ordinary ignition every 500 miles, because *unburned* gasoline leakage thins the lubricant. The new Syncro, by burning all the gasoline with its big, quick, white-hot flame, stops this leakage completely, so that oil can often be used for 2,500 miles.

10. The Syncro System is scientifically designed to change the ordinary gasoline of automobiles to high-frequency—the wonderful new form of electricity which has made radio possible—the amazingly powerful electricity that can carry a voice across the Atlantic Ocean without a wire to travel on.

11. The Syncro spark is a real flaming arc with a full, fat, white-hot core—in fact it is a miniature welding flame. It fires every cylinder every time, even with the present low-grade gasoline. It is so intense that it actually burns oil and carbon, and on cars which have pumped oil so freely that the plugs had to be cleaned daily, not a cylinder has missed fire since the Syncro was installed—and not a plug cleaned.

12. * * * The several sparks occurring in such a short space of time create what is known as an "ionized field" about the plug points, which exerts a chemical influence on the gas in the cylinder about the plugs, separating the various molecules forming these gases into groups of atoms more suitable for combustion, and a quicker burning mixture is the result.

Whereas, in truth and in fact said device, when properly installed in accordance with respondent's directions, will not reduce the amount of gasoline consumed per mile from 25 percent to 35 percent—will not prolong the life of the crank case oil and eliminate the necessity for change thereof oftener than 2,500 miles—will not eliminate the formation of carbon in the cylinders—will not prevent the fouling of spark plugs—will not increase the power of the motor—will not enable a cool motor to start more quickly—will not save many dollars or give complete combustion—is not a wonderful gas and oil saver—starting the motor quicker and easier—is not an indispensable instrument or device and does not burn all of the gasoline—does not apply to the ignition system any wonderful new form of electricity comparable with radio—is not a miniature welding flame and does not create an "ionized field" about the plug points exerting a chemical influence on the gas.

PAR. 4. In the course and conduct of his business as aforesaid by form letters and other correspondence sent to prospective agent customers in soliciting the sales to them of such device, respondent has made and does make false and misleading representations as follows:

1. That the prospective agent has been especially selected from among many applicants in a particular territory by reason of his personal qualifications for the position.

2. That respondent plans to place a sales force under the control of said prospective agent customer and put on a "\$10,000 advertising campaign" to assist the sales of the device in said territory.

3. That it is advisable for the prospective agent customer to buy from respondent and carry in stock a large number of the aforesaid device because of many inquiries from dealers and numerous prospective customers for respondent has on hand awaiting the prospective agent's attention.

Whereas in truth and in fact respondent has not made any special selection of agents by reason of their personal qualifications or otherwise; has not put on any advertising campaign in cooperation with or for the benefit of promoting the sales of such agents; and has not, at the time he so represents, any inquiries from dealers and other prospective customers awaiting the prospective agent's attention.

PAR. 5. By placing such advertising media and false claims, heretofore referred to in paragraph 3, in the hands of his so-called agents, respondent furnishes and has been furnishing said agents with the means of deceiving other prospective purchasers and ultimate consumers and thereby encouraging them so to do. The agents and other customers, relying upon and believing the false and misleading representations set out in paragraphs 3 and 4, supra, to be true, are and have been induced to buy respondent's said device.

PAR. 6. The foregoing false and misleading representations, and each of them, are calculated to and have the tendency to mislead and deceive purchasers and prospective purchasers of respondent's device into the erroneous belief that it will accomplish the effects and results claimed for it when properly installed in connection with ignition systems of automobiles, and into the erroneous belief on the part of prospective agent customers that respondent has made a special selection of such agent customer for personal reasons, and is going to cooperate with him in an effort to assist sales by an expensive advertising campaign, and that already numerous inquiries are awaiting the attention of such agent for profitable resales, and thereby respondent induces the purchase by agent customers and others of said device in reliance upon such erroneous beliefs; said misleading and false misrepresentations are likewise calculated and have the tendency to divert trade from and otherwise injure the competitors of respondent.

PAR. 7. The above acts and practices of respondent are all to the prejudice of the public and of respondent's competitors, and constitute unfair methods of competition in commerce within the intent and meaning of section 5 of an act of Congress entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914.

ORDER TO CEASE AND DESIST

This proceeding having come on for final hearing by the Federal Trade Commission upon the complaint and respondent's answer

waiving all further proceeding and consenting that the Commission may make, enter and serve upon him an order to cease and desist from the method or methods of competition charged in the complaint, and the Commission being fully advised in the premises,

It is now ordered, That the respondent, Frank J. Clark, an individual trading under the name and style Syncro Motors Co., his agents, representatives, servants, and employees, in connection with the sale or offering for sale in interstate commerce of a certain automobile accessory or device variously known and described as "Syncro", "Syncro system ignition", and "High-frequency spark transformer", cease and desist from representing that said device, when properly installed on an automobile in accordance with respondent's directions:

- (1) Will reduce the amount of gasoline consumed per mile from 25 percent to 33 percent;
- (2) Will prolong the life of the crank case oil and eliminate the necessity for change thereof oftener than 2,500 miles;
- (3) Will eliminate the formation of carbon in the cylinders;
- (4) Will prevent the fouling of spark plugs;
- (5) Will enable a cool motor to start more quickly;
- (6) Will give complete combustion;
- (7) Is a wonderful gas and oil saver;
- (8) Is an indispensable instrument or device;
- (9) Applies to the ignition system a wonderful new form of electricity comparable with radio;
- (10) Is a miniature welding flame; or
- (11) Creates an "ionized field" about the plug points exerting a chemical influence on the gas.

It is further ordered, That respondent, his agents, representatives, servants, and employees, in connection with the sale or offering for sale in interstate commerce to prospective purchasers, or so-called "agents", of the said accessory or device for resale by said purchasers, cease and desist from representing that he has made any special selection of said "agents" by reason of their personal qualifications or otherwise; or that he has put on an advertising campaign in cooperation with or for the purpose of promoting the sales of such "agents"; or that he has inquiries from dealers or other prospective customers awaiting the prospective "agent's" attention, except in those instances where such statements are true.

It is further ordered, That the respondent shall, within 60 days from the date of the service upon him of a copy of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which he has complied with the order herein set forth.

Complaint

IN THE MATTER OF
ROGGEN BROS. & CO., INC.COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2053. Complaint, June 29, 1932—Order, Sept. 22, 1932*

Consent order requiring respondent corporation, its officers, etc., to cease and desist from sale in interstate commerce of shirts, not made in Troy, N.Y., with words "Troy Tailored" or "Troy" thereon or attached thereto.

Mr. Henry C. Lank for the Commission.

COMPLAINT

Acting in the public interest, pursuant to 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", the Federal Trade Commission charges that the Roggen Bros. & Co., Inc., a corporation, hereinafter referred to as respondent, has been and is using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of the said act, and states its charges in that respect as follows:

PARAGRAPH 1. The respondent is a corporation organized under the laws of the State of New York. The executive offices of the respondent are located in the city of New York, State of New York, and their factory or mill is located in the city of Elizabeth, State of New Jersey. Respondent is engaged in the manufacture of men's shirts and in the sale and distribution thereof in commerce between and among the various States of the United States. Respondent sells its shirts to retail dealers exclusively. It causes its said shirts when so sold to be shipped from its factory located in the State of New Jersey, or from its executive office located in the State of New York, to purchasers thereof located in a State or States of the United States other than the State from which the shipment was made. In the course and conduct of its business respondent is in competition with other corporations, individuals, firms and partnerships likewise engaged in the sale and distribution in interstate commerce of men's shirts.

PAR. 2. Respondent in the course of its business as described in paragraph 1 hereof, places on the shirts manufactured by them in Elizabeth, N.J., tags or labels bearing the words "Troy Tailored" without other distinguishing marks to show the true place of manufacture of said shirts. The said shirts are in fact manufactured or made in Elizabeth, N.J., and not in Troy.