

Complaint

21 F. T. C.

IN THE MATTER OF

DOUGLAS P. BORDEN, TRADING AS MORMILES

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2333. Complaint, Mar. 16, 1935—Order, July 26, 1935*

Consent order requiring respondent, his agents, etc., in connection with the sale or offer of automobile tires in interstate commerce, to cease and desist from—

- (a) Representing in any manner that any automobile tires, the reconditioning of which has been limited to the repair of worn or damaged portions and to vulcanizing and painting the tires so that they will present a new appearance, and to regrooving treads which have worn smooth by cutting through the smooth face a tread design, are reconstructed tires; or
- (b) Representing in any manner that said tires so sold and distributed by him have their original treads when such is not the fact.

Mr. Astor Hogg for the Commission.

COMPLAINT

Pursuant to the provisions of an Act of Congress entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission, having reason to believe that Douglas P. Borden, an individual, trading as Mormiles, hereinafter referred to as respondent, has been and is using unfair methods of competition in interstate commerce, as "commerce" is defined in said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, states its charges in that respect as follows:

PARAGRAPH 1. Respondent is, and at all times hereinafter mentioned was an individual trading as Mormiles, with his principal place of business located in the city of Chicago, in the State of Illinois. He is, and for more than one year last past has been engaged in the business of repairing partially used or discarded automobile tires and in the sale and distribution thereof. His sales are to wholesalers and retailers located throughout the United States and the District of Columbia, and pursuant to such sales, shipments are made from respondent's place of business in Chicago, Ill., into and through various States of the United States other than the State of the point of origin of such shipments and in the District of Columbia. There are in the United States other persons, firms, and corporations engaged in the business of repairing partially

used or discarded automobile tires and the sale and distribution thereof, who, pursuant to such sales, ship their products into and through the various States of the United States other than the States of the point of origin of such shipments, and with such other persons, firms, and corporations respondent is, and at all times hereinafter mentioned has been in active and substantial competition.

PAR. 2. In the course and conduct of his business, as described in paragraph 1 hereof, respondent purchases and has purchased used and discarded automobile tires from various sources, which tires he causes to be repaired by one or more or all of the following operations thereon, viz, (1) replacing torn or rotten fabric in the body of the tires, (2) adding new rubber where necessary in the side walls and vulcanizing, (3) regrooving treads which had or have worn smooth by cutting through the smooth face a design simulating the design of the manufacturer of the tire, and (4) upon completion of the said repair work, painting the tire to give it a fresh appearance. After repairing the tires, as alleged herein, respondent engaged and still engages in the sale and distribution thereof in the manner set out in paragraph 1 hereof.

PAR. 3. Respondent, in aid of the sale of said tires, advertises in magazines and newspapers published in many of the States of the United States, and also in letters on stationery and in circulars sent to his customers and prospective customers residing in the several States in the United States. In and through such media, respondent has made and still makes the following representations concerning such tires:

(a) Mormiles Reconstructed Tires Guaranteed Five Thousand Miles. Mormiles Reconstructed Tires can be had in all leading makes — Firestone — Goodyear — General — U. S.—Goodrich. They are shipped to you with original tread and each one carries a Five Thousand Mile guarantee.

(b) Guaranteed for Five Thousand Miles. There are more miles of transportation in Mormiles Reconstructed Quality Tires than in new low-priced tires, and the price is less than half. * * * Original treads on all Mormiles Reconstructed Tires.

(c) Mormiles tire regroovers and vulcanizers. Full line of reconstructed tires. Car dealers are making a nice profit on their used cars when they equip them with Mormiles Reconstructed Tires—Guaranteed for Five Thousand Miles.

(d) Send us a trial order today and you will always use Mormiles Reconstructed Tires on your resale cars.

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PAR. 4. The statements and representations made by respondent in his advertising as set forth in paragraph 3 hereof are false and misleading in this, to wit:

(1) The automobile tires advertised, sold and distributed by respondent, as alleged in paragraphs 1, 2, and 3 hereof, are not reconstructed tires, and the repairing of said tires in the manner herein referred to, is not such as to be properly represented, designated, or referred to as "reconstructed".

(2) The repaired tires do not in all instances contain their original treads as alleged, but are provided or equipped with a tread so cut or vulcanized as to simulate the original tread.

PAR. 5. The false and misleading statements and representations used by respondent in aid of the sale of said tires, as set forth in paragraph 3 hereof, had and have the capacity and tendency to induce the purchasing public to purchase and use respondent's said automobile tires in the belief that said statements and representations made as to them are true, and had and have the capacity and tendency to unfairly divert trade from competitors of respondent engaged in the sale in interstate commerce of like automobile tires to the respondent, which said competitors truthfully and honestly advertise and represent their products.

PAR. 6. The acts and things done by respondent are to the injury and prejudice of the public and the competitors of respondent in interstate 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

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 on the 16th day of March 1935 issued its complaint against the above-named respondent, in which it is alleged that the respondent is and has been using unfair methods of competition in interstate commerce in violation of the provisions of Section 5 of said Act. On the 25th day of July 1935 the respondent filed his consent answer to the said complaint wherein he waives hearing on the charges set forth in the complaint and refrains from contesting the proceeding and consents that the Commission, without trial, without evidence, and without findings as to the facts or other intervening procedure may make, enter, issue, and serve upon him in accordance

with the provisions of paragraph (b) of Rule V of the Rules of Practice of the Commission, an order to cease and desist from the practices alleged in the complaint in connection with the sale of automobile tires in interstate commerce and the Commission now being fully advised in the premises—

It is ordered, That the respondent Douglas P. Borden, individually or trading as Mormiles, or trading under any other name, his agents, representatives, servants, and employees, in connection with the sale or offering for sale or distribution of automobile tires in interstate commerce, do cease and desist from:

(a) Representing in any manner that any automobile tires, the reconditioning of which has been limited to the repair of worn or damaged portions and to vulcanizing and painting the tires so that they will present a new appearance, and to regrooving treads which have worn smooth by cutting through the smooth face a tread design, are reconstructed tires; or

(b) Representing in any manner that said tires so sold and distributed by him have their original treads when such is not the fact.

It is further ordered, That the respondent within 60 days after the service upon him of this order shall file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with the order to cease and desist hereinabove set out.

Complaint

21 F. T. C.

IN THE MATTER OF

LOUISE NORRIS, TRADING AS LOUISE NORRIS CO.

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2415. Complaint, May 25, 1935—Order, July 27, 1935*

Consent order requiring respondent, her agents, etc., in connection with the sale or offer in interstate commerce of the product "Louise Norris Permanent Lash and Brow Coloring", to cease and desist from representing by radio or other advertising, labels, photographs, printed testimonials, booklets or in any other way that said product when used in coloring the eyelashes or eyebrows is harmless, scientific or scientifically compounded, has been perfected by medical authorities so as not to be dangerous when used as directed, or that its use has been approved by the Government or boards of health.

Mr. E. J. Hornibrook for the Commission.

Mr. Richard B. Kirwan, of Kansas City, Mo., for respondent.

COMPLAINT

Pursuant to the provisions of an Act of Congress entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission, having reason to believe that Louise Norris, trading as Louise Norris Co., hereinafter referred to as respondent, has been or is using unfair methods of competition in commerce as "commerce" is defined in said act, and it appearing to said Commission that a proceeding by it in respect thereto would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Louise Norris, is an individual trading as Louise Norris Co. with her office and principal place of business in Kansas City, State of Missouri.

At and from said city and under said trade name, she is now and for several years last past, has been engaged in the sale of beauty shop preparations, among which is a product sold by her for use by women in the coloring of their eyelashes and eyebrows, under the name of "Louise Norris Permanent Lash and Brow Coloring".

PAR. 2. This said product, described in paragraph 1 hereof, is sold by respondent principally to wholesalers and jobbers of beautifying products in the several States of the United States, who sell the same to beauty parlors and shops, also located in the several