

Order

IN THE MATTER OF

T. E. BROOKS, DOING BUSINESS AS T. E. BROOKS
& COMPANY

MODIFYING CEASE AND DESIST ORDER

Docket 1442. Order, September 28, 1939

Order modifying on Commission motion prior cease and desist order entered against said respondent in Docket 1442, March 14, 1932, 16 F. T. C. 81, so as to prohibit, as below set forth, use of word "Havana" in connection with offer, sale, and distribution of cigars.

Mr. Marshall Morgan for the Commission.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the motion of Richard P. Whiteley, Assistant Chief Counsel for the Commission to modify the order to cease and desist heretofore issued in this proceeding on March 14, 1932, and the Commission having considered said motion and the record herein, and being now fully advised in the premises.

It is ordered, That the motion to modify the order to cease and desist, as issued herein on March 14, 1932, be, and the same hereby is, granted as prayed;

It is further ordered, That the order to cease and desist issued herein on March 14, 1932, be, and the same hereby is, modified so as to read as follows:

This proceeding having been heard by the Federal Trade Commission upon the entire record, including the complaint of the Commission, and the answer of respondent thereto, the stipulation as to the facts agreed upon and approved; and the Commission having made its findings as to the facts with its conclusion that said respondent has been, and is, violating the provisions of section 5 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";

It is now ordered, That respondent T. E. Brooks, doing business under the trade name and style, T. E. Brooks & Co., his agents, individual or corporate, representatives, servants, employees, and successors in business, on and after 2 years and 30 days from August 10, 1939, in connection with the offering for sale, sale, and distri-

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29 F. T. C.

bution of cigars in commerce, as commerce is defined in the Federal Trade Commission Act, do cease and desist from:

Using the word "Havana" or any other word or words, terms or picturization indicative of Cuban origin, or descriptive of Cuba, alone or in conjunction with any other word or words to describe, designate, or in any way to refer to cigars which are not made entirely from tobacco grown on the Island of Cuba.

It is further ordered, That within the period of 2 years and 30 days from August 10, 1939, the respondent T. E. Brooks, doing business under the trade name and style, T. E. Brooks & Co., be, and is hereby directed and ordered to file with the Federal Trade Commission a report in writing setting forth with particularity the manner in which he has complied with the terms of this order.

Syllabus

IN THE MATTER OF
INTERNATIONAL UNIVERSITY OF COMMERCE, AND
PAUL V. MANNING

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 3543. Complaint, Aug. 17, 1938—Decision, Sept. 29, 1939

Where a corporation and an individual, who was president and principal stockholder thereof and general manager of the business which it conducted, engaged in sale and distribution of correspondence courses in bookkeeping, accountancy, auditing, commercial law, and business administration, to pupils in various States, in active competition with others engaged in sale and distribution of like and similar courses of instruction as aforesaid, and including many who do not misrepresent the courses which they offer and sell; in soliciting sale of their courses of instruction—

- (a) Displayed and featured on all their stationery and advertising material, name of said corporation, in which was included word "University," notwithstanding fact school in question did not maintain a faculty or have a staff of instructors and was not an educational institution organized for teaching and study in the higher branches of learning, imparting education embracing many branches, and empowered to confer degrees, etc., as understood by public, but instruction furnished was given solely by one certified public accountant with title of Educational Director, and with aid of assistant who was senior, but not certified, public accountant, and who directed school's educational work and examined and corrected papers, etc., and devoted only portion of his time to school in question;
- (b) Represented that opportunities in the field of accounting open to students finishing their course were unlimited, and that course sold by them was superior to similar courses of competitors, and that their school was largest of its kind in the United States; and
- (c) Represented that they were connected with a large firm of accountants and had trained thousands of accountants, majority of whom were holding responsible positions with some of the largest industrial units in the country, and that, in event students who had completed the course should not be able to obtain employment elsewhere, they would be placed with Chicago firm with which school was closely connected, and for which it, as asserted, was in reality engaged in training personnel so that such firm might have sufficient number of trained accountants on hand from which to replenish its force, as depleted through continual resignations of members to accept higher paid positions with industrial firms, and in response to nation-wide demands for trained accountants; and
- (d) Represented that the presidents of General Motors and Chrysler Corporations had urged all clerical employees of their respective companies to take advantage of their said course;

Facts being opportunities in field in question for students finishing such course were not unlimited, course was not superior to competitors' nor was school largest of its kind as aforesaid, they were in no way connected with large