

Complaint

IN THE MATTER OF

JOSEPH T. GIBBONS, TRADING AS WASHINGTON
LAUNDRY

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

Docket 3930. Complaint, Oct. 18, 1939—Decision, Mar. 28, 1940

Where an individual engaged, in the city of Washington, in the laundry, dry cleaning, and dyeing business, and in collecting clothes, linens, and other articles from customers in the District of Columbia and in the States of Maryland and Virginia, and transporting such clothes, etc., to his place of business in said District, and thereafter delivering from said place such clothes, etc., cleaned, dyed, or laundered, to such various customers, and collecting therefrom his charges for so cleaning, etc., and maintaining, as thus engaged, course of trade and commerce in and between said District and States referred to—

Represented, through statement on laundry boxes or other containers in which were placed many of the clothes, linens, and other articles, "We wash everything with Ivory Soap," that he washed with soap in question all clothes, linens, and other articles submitted for laundering, facts being he had ceased, prior to time concerned, to use such soap exclusively, and did not wash therewith all clothes, etc., thus submitted;

With capacity and tendency to cause members of purchasing public to have erroneous and mistaken belief that he washed with soap in question, well and favorably known over period of years by substantial number of purchasing public and preferred by many for such purpose, all clothes, etc., placed with him for cleaning, and, by reason of such belief, to tender to him substantial quantities of clothes and other articles, as aforesaid, for cleaning and laundering with such soap, and pay him substantial sums therefor:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Mr. Lynn C. Paulson for the Commission.

Mr. Ross H. Snyder, of Washington, D. C., for respondent.

COMPLAINT

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, having reason to believe that Joseph T. Gibbons, an individual, trading as Washington Laundry, hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to the Commission that a proceeding by it in respect

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thereof would be in the public interest hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. The respondent, Joseph T. Gibbons, is an individual trading as Washington Laundry and having his principal office and place of business at 2627 K Street, NW., in the city of Washington, District of Columbia. Respondent is now, and for more than 1 year last past has been, engaged in the laundry, dry cleaning and dyeing business. Respondent collects clothes, linens, and other articles from his customers at their respective points of location in the District of Columbia and in the States of Maryland and Virginia, and transports or causes to be transported said clothes, linens, and other articles to his aforesaid place of business in the District of Columbia. Respondent cleans, dyes, and launders said clothes, linens, and other articles at his aforesaid place of business in the District of Columbia, and thereafter delivers, or causes to be delivered, from his aforesaid place of business in the District of Columbia, said clothes, linens, and other articles to his customers at their respective points of location in the District of Columbia and in the States of Maryland and Virginia. Respondent thereafter collects from his aforesaid customers his charges for collecting and delivering, and for cleaning, dyeing, or laundering said clothes, linens, and other articles. In the course and conduct of his aforesaid business, respondent maintains and at all times mentioned herein has maintained, a course of trade in commerce in the District of Columbia and between the District of Columbia and the States of Maryland and Virginia.

PAR. 2. In the course and conduct of his aforesaid business respondent delivers from his said place of business in the District of Columbia, to his customers at their respective points of location in the District of Columbia and in the States of Maryland and Virginia, many of the clothes, linens, and other articles, in laundry boxes or other containers upon which respondent places or causes to be placed, the statement and representation as follows: "We wash everything with Ivory Soap."

Through the use of aforesaid statements and representation, respondent represents that he washes with Ivory soap all of the clothes, linens, and other articles which are submitted to him for laundering.

PAR. 3. The aforesaid statement and representation by the respondent is misleading and untrue. In truth and in fact respondent does not wash with Ivory soap all of the clothes, linens, and other articles which are submitted to him for laundering. In fact, respondent washes with Ivory soap very few, if any, of said clothes, linens, and other articles.

Over a period of years Ivory soap has become well and favorably known by a substantial number of the purchasing public to such an extent that many people prefer to have their clothes, linens, and other articles washed or laundered with Ivory soap.

PAR. 4. The use by the respondent of the aforesaid false and misleading statement and representation has the capacity and tendency to, and does, cause members of the purchasing public to have the erroneous and mistaken belief that the aforesaid false and misleading statement and representation is true, and to tender to respondent substantial quantities of clothes, linens and other articles for laundering, and to pay respondent substantial sums for such laundering, because of the erroneous and mistaken belief that said clothes, linens, and other articles were laundered or washed with Ivory soap.

PAR. 5. The aforesaid acts and practices of the respondent, as herein alleged are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on the 18th day of October 1939, issued and served its complaint in this proceeding upon respondent, Joseph T. Gibbons, an individual trading as Washington Laundry, charging him with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondent's answer, the Commission, by order entered herein, granted respondent's motion for permission to withdraw said answer and to substitute therefor an answer admitting all the material allegations of fact set forth in said complaint and waiving all intervening procedure and further hearing as to said facts, and stating that respondent discontinued the use of laundry boxes or containers printed as described in the complaint on about the 15th of December, A. D., 1938, and that since said date he has not used any boxes or other containers printed as described in the complaint, which substitute answer was duly filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission on the said complaint and substitute answer, and the Commission, having duly considered the matter, and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondent, Joseph T. Gibbons, is an individual trading as Washington Laundry and having his principal office and place of business at 2627 K Street, NW., in the city of Washington, District of Columbia. Respondent is now, and for more than 1 year last past has been, engaged in the laundry, dry cleaning, and dyeing business. Respondent collects clothes, linens, and other articles from his customers at their respective points of location in the District of Columbia and in the States of Maryland and Virginia and transports, or causes to be transported, said clothes, linens, and other articles to his aforesaid place of business in the District of Columbia. Respondent cleans, dyes, and launders said clothes, linens, and other articles at his aforesaid place of business in the District of Columbia and thereafter delivers, or causes to be delivered, from his aforesaid place of business in the District of Columbia, said clothes, linens, and other articles to his customers at their respective points of location in the District of Columbia and in the States of Maryland and Virginia. Respondent thereafter collects from his aforesaid customers his charges for collecting and delivering and for cleaning, dyeing, or laundering said clothes, linens, and other articles. In the course and conduct of his aforesaid business, respondent maintains and at all times mentioned herein has maintained, a course of trade in commerce in the District of Columbia and between the District of Columbia and the States of Maryland and Virginia.

PAR. 2. In the course and conduct of his aforesaid business, for a period of time ending on or about the 15th of December A. D., 1938, respondent delivered from his said place of business in the District of Columbia, to his customers at their respective points of location in the District of Columbia and in the States of Maryland and Virginia, many of the clothes, linens, and other articles in laundry boxes or other containers upon which respondent placed, or caused to be placed, the statement and representation as follows: "We wash everything with Ivory Soap."

Through the use of the aforesaid statement and representation, respondent represented that he washed with Ivory Soap all of the clothes, linens, and other articles which were submitted to him for laundering.

PAR. 3. The aforesaid statement and representation by the respondent was misleading and untrue. Prior to the time respondent ceased to use laundry boxes and containers upon which had been placed the representation, "We wash everything with Ivory Soap,"

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he had ceased to use Ivory Soap exclusively and did not wash with Ivory Soap all of the clothes, linens, and other articles which were submitted to him for laundering.

Over a period of years Ivory Soap has become well and favorably known by a substantial number of the purchasing public to such an extent that many people prefer to have their clothes, linens, and other articles washed or laundered with Ivory Soap.

PAR. 4. The use by respondent of the aforesaid false and misleading statement and representation had the capacity to, and if continued still would, cause members of the purchasing public to have the erroneous and mistaken belief that respondent washes with Ivory Soap all of the clothes, linens, and other articles which are placed with him to be cleaned, and because of said erroneous and mistaken belief to tender to respondent substantial quantities of clothes, linens, and other articles for cleaning and laundering with Ivory Soap and to pay respondent substantial sums for such cleaning and laundering.

CONCLUSION

The aforesaid acts and practices of the respondent, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint except that he is not now using and has not since on or about December 15, 1938, used laundry boxes or containers printed as described in the complaint, and states that he waives all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, Joseph T. Gibbons, trading as Washington Laundry, in connection with the offering for sale, sale or solicitation of laundry, dry cleaning or dyeing services in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that wearing apparel and other articles intrusted or delivered to him for laundering or cleaning will be washed with Ivory Soap,

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or any other designated cleaning agent, when such wearing apparel and other articles are not washed or cleaned with Ivory Soap or the particular cleaning agent designated.

It is further ordered, That the respondent shall, within 60 days after service upon him 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 this order.

Syllabus

IN THE MATTER OF
PATCH PREMEK CORPORATION, AND H. K. PATCH,
TRADING AS H. K. PATCH COMPANY

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

Docket 3469. Complaint, Sept. 27, 1938¹—Decision, Mar. 29, 1940

Where a corporation and an individual, who was president thereof and controlled and directed its business activities, sales policies, and practices, engaged in sale and distribution of their "Premek 33," or "C. S. 53," medicinal preparation for various ailments, diseases, and conditions, to purchasers at various points in various other States, in substantial competition with others engaged in sale and distribution, in commerce among the various States, of preparations for use in connection with treatment of ailments, diseases, and conditions for which they recommended and claimed their said preparation to be effective and competent treatment, and including many who do not in any manner misrepresent the character, nature, and therapeutic properties of their products; in advertisements which they disseminated, in cooperation with one another in acts and things below set forth, through newspapers and other periodicals of general circulation throughout the various States, and through booklets, leaflets, pamphlets, and other printed matter distributed among prospective customers—

- (a) Represented that their said preparation was an amazing new discovery, and the most effective way to end irritations of all kinds, and that it constituted most effective treatment for, and would end, numerous ailments and conditions, including, among others, eczema, athlete's foot, prickly heat, skin irritations and rashes, acne in various forms, and dandruff and eczema; and
- (b) Represented that use thereof would stop perspiration and provided only sure way to prevent noxious body odors, and that it was a bactericide which would prevent reinfection and which penetrated skin pores and deep-seated organisms, and killed parasites responsible for irritation, and that it had been successful in the treatment of chronic irritations where other medications had failed;

Facts being that only ingredient in preparation in question of therapeutic consequence was sulfur in colloidal or finely divided form, which was neither new nor amazing discovery, but had been in use as an adjunct or accessory in medication generally for a long time, most that could properly be claimed for preparation in question, excepting as to scabies, was that under proper direction or medical supervision it might be used as beneficial accessory treatment in case of some of conditions or ailments in question resulting from superficial or external causes, and it was not a quick or effective treatment for, and would not cure, any of conditions, symptoms, or ailments in question, with exception aforesaid, and it was not a bactericide and would not accomplish results claimed therefor as above, and claims as to its therapeutic value and properties greatly exceeded those which might truthfully be made for such a product;

¹ Amended and supplemental.