

Complaint

IN THE MATTER OF

H. D. SHIPP COMPANY, INC. ET AL.

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

Docket 4986. Complaint, June 25, 1943—Decision, Mar. 14, 1944

Where a corporation and its president, who controlled its sales policy and advertising program, engaged in the interstate sale and distribution of its "Sneaker" drinking glass; in advertisements in newspapers, periodicals, circulars and other media—

Falsely represented that their said product was a tasteless glass, the use of which would camouflage and eliminate obnoxious tastes of liquids administered therefrom, through such statements as "WONDERFUL NEW INVENTION MEETS DEMANDS OF MILLIONS NOW AT LAST! Science gives us a brand new discovery that enables everyone to easily and enjoyably drink ill-tasting medicines, oils, etc." and "will camouflage the flavor of oils, medicines or liquors by the formation of a liquid capsule, as the distasteful fluid is completely surrounded by your favorite drink";

With effect of misleading and deceiving a substantial portion of the purchasing public into the erroneous and mistaken belief that said representations were true, as a result whereof it purchased their said product:

Held, That said acts and practices were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Mr. R. P. Bellinger for the Commission.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said act, the Federal Trade Commission having reason to believe that H. D. Shipp Company, Inc., a corporation, and H. D. Shipp, individually, and as President of H. D. Shipp Company, Inc., hereinafter referred to as respondents, have violated the provisions of the said act and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, H. D. Shipp Company, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Indiana with its principal place of business located at 12 South Capitol Avenue, Indianapolis, Ind. Respondent, H. D. Shipp, is an individual, and is President of the corporate respondent above named and as such dominates and controls the sales policy and advertising program thereof, including the acts and practices hereinafter complained of. His business address is the same as that of the corporate respondent above shown.

PAR. 2. Respondents are now and for several years last past have been engaged in the sale and distribution in commerce between and among the various States of the United States and in the District of Columbia of a drinking glass designated as "Sneaker," designed to camouflage or eliminate the objectionable tastes of liquids drunk therefrom.

Respondents cause the said product when sold to be transported from their aforesaid place of business in the State of Indiana to purchasers thereof located in various other States of the United States and in the District of Columbia.

Respondents maintain and at all times mentioned herein have maintained a course of trade in said product in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their aforesaid business respondents have falsely represented that their said product is a tasteless glass, the use of which will camouflage and eliminate obnoxious tastes of liquids administered therefrom, such false representations being made through the use of statements and advertisements appearing in magazines, newspapers, periodicals, circulars, leaflets and other mediums sent through the United States mails and having general circulations. Among and typical of the said false, misleading and deceptive statements and representations are the following:

WONDERFUL NEW INVENTION
MEETS DEMANDS OF MILLIONS

NOW AT LAST! science gives us a brand new discovery that enables everyone to easily and enjoyably drink ill-tasting medicines, oils, etc. It actually camouflages and makes distasteful fluids taste like a favorite beverage.

"SNEAKER"

the taste less glass

This article has been developed to answer the demand for a method of taking liquids internally which will eliminate obnoxious tastes.

It will camouflage the flavor of oils, medicines or liquors by the formation of a liquid capsule, as the distasteful fluid is completely surrounded by your favorite drink.

AGENTS WANTED TO SELL SNEAKERS, THE TASTE-less container. Takes oils, medicines, and liquors without a taste.

PAR. 4. Through the use of the statements and representations hereinabove set forth and others similar thereto, not specifically set out herein, respondents represent and have represented, directly and by implication, that their said product "Sneaker" is a tasteless glass, the use of which will eliminate the objectionable tastes of medicines, oils, liquors or other fluids; that it will camouflage the flavors of such liquids and render them enjoyable to drink; and that it will enable one to drink such distasteful fluids without experiencing any taste.

PAR. 5. The aforesaid statements and representations are grossly exaggerated, false and misleading. In truth and in fact respondents' said product "Sneaker" is not a tasteless glass. Its use will not eliminate the objectionable tastes of medicines, oils, liquors or other fluids; it will not camouflage the flavors of such liquids and render them enjoyable to drink; and it will not enable one to drink such distasteful fluids without experiencing any taste.

PAR. 6. The use by the respondents of the aforesaid false, deceptive and misleading statements and representations, as herein set forth, has had and now has the capacity and tendency to and does mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations are true, and because of said erroneous and mistaken belief a substantial number of the

purchasing public has purchased and is purchasing respondents' said product.

PAR. 7. The aforesaid acts and practices of respondents 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 June 25, 1943, issued and thereafter served its complaint in this proceeding upon respondents, H. D. Shipp Company, Inc., a corporation, and H. D. Shipp, individually, and as president of H. D. Shipp Company, Inc., charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. On January 24, 1944, the respondents filed their answer in which answer they admitted all the material allegations of fact set forth in said complaint and waived all intervening procedure and further hearing as to said facts. Thereafter, the proceeding regularly came on for final hearing before the Commission on the said complaint and the answer thereto, 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. Respondent, H. D. Shipp Company, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Indiana with its principal place of business located at 12 South Capitol Avenue, Indianapolis, Ind. Respondent, H. D. Shipp, is an individual, and is president of the corporate respondent above named and as such dominates and controls the sales policy and advertising program thereof, including the acts and practices hereinafter complained of. His business address is the same as that of the corporate respondent above shown.

PAR. 2. Respondents are now and for several years last past have been engaged in the sale and distribution in commerce between and among the various States of the United States and in the District of Columbia of a drinking glass designated as "Sneaker," designed to camouflage or eliminate the objectionable tastes of liquids drunk therefrom.

Respondents cause the said product when sold to be transported from their aforesaid place of business in the State of Indiana to purchasers thereof located in various other States of the United States and in the District of Columbia.

Respondents maintain and at all times mentioned herein have maintained a course of trade in said product in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their aforesaid business respondents have falsely represented that their said product is a tasteless glass, the use of which will camouflage and eliminate obnoxious tastes of liquids administered therefrom, such false representations being made through the use of statements and advertisements appearing in maga-

Conclusion

38 F. T. C.

zines, newspapers, periodicals, circulars, leaflets and other mediums sent through the United States mails and having general circulations. Among and typical of the said false, misleading and deceptive statements and representations are the following:

WONDERFUL NEW INVENTION
MEETS DEMANDS OF MILLIONS

NOW AT LAST! Science gives us a brand new discovery that enables everyone to easily and enjoyably drink ill-tasting medicines, oils, etc. It actually camouflages and makes distasteful fluids taste like a favorite beverage.

"SNEAKER"

the taste less glass

This article has been developed to answer the demand for a method of taking liquids internally which will eliminate obnoxious tastes.

It will camouflage the flavor of oils, medicines or liquors by the formation of a liquid capsule, as the distasteful fluid is completely surrounded by your favorite drink.

AGENTS WANTED TO SELL SNEAKERS, THE TASTE-less container. Takes oils, medicines, and liquors without a taste.

PAR. 4. Through the use of the statements and representations hereinabove set forth and others similar thereto, not specifically set out herein, respondents represent and have represented, directly and by implication, that their said product "Sneaker" is a tasteless glass, the use of which will eliminate the objectionable tastes of medicines, oils, liquors or other fluids; that it will camouflage the flavors of such liquids and render them enjoyable to drink; and that it will enable one to drink such distasteful fluids without experiencing any taste.

PAR. 5. The aforesaid statements and representations are grossly exaggerated, false and misleading. In truth and in fact respondents' said product "Sneaker" is not a tasteless glass. Its use will not eliminate the objectionable tastes of medicines, oils, liquors or other fluids; it will not camouflage the flavors of such liquids and render them enjoyable to drink; and it will not enable one to drink such distasteful fluids without experiencing any taste.

PAR. 6. The use by the respondents of the aforesaid false, deceptive and misleading statements and representations, as herein set forth, has had and now has the capacity and tendency to and does mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations are true, and because of said erroneous and mistaken belief a substantial number of the purchasing public has purchased and is purchasing respondents' said product.

CONCLUSION

The aforesaid acts and practices of respondents as herein found 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 respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, H. D. Shipp Company, Inc., a corporation, its officers, and H. D. Shipp, individually, and as president of H. D. Shipp Company, Inc., and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of respondents' drinking glass designated as "Sneaker," or any other product of similar design or construction, whether designated by the same name or by any other name, do forthwith cease and desist from:

1. Representing, through the use of the words "taste less" or through any other means, directly or by implication, that respondents' product is a tasteless glass, or that its use will eliminate the objectionable taste of medicines, oils, liquors or other fluids.

2. Representing, directly or by implication, that the use of said product will camouflage the flavor of distasteful liquids and render them enjoyable or pleasant to drink.

3. Representing, directly or by implication, that the use of said product will enable the user to drink distasteful liquids without experiencing any taste.

It is further ordered, That the respondents shall, within 60 days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

Complaint

38 F. T. C.

IN THE MATTER OF

ROCKWELL WOOLEN COMPANY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF THE WOOL PRODUCTS LABELING ACT OF 1939, APPROVED OCT. 14, 1940,
AND OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 5121. Complaint, Jan. 26, 1944—Decision, Mar. 20, 1944

Where a corporation, engaged in the manufacture, sale and distribution in commerce of wool products as defined in the Wool Products Labeling Act of 1939, and subject to the provisions thereof—

Caused said products to be misbranded, within the intent and meaning of said Act and the Rules and Regulations promulgated thereunder, in that it failed to affix to certain yarns, a stamp, tag, label or other means of identification as provided by said Act, showing the percentage of the total fiber weight of wool, reprocessed wool, reused wool, and nonwool fiber, and filler or adulterating matter; and proper identification of the manufacturer or seller or reseller, etc. subject to the provisions of the Act:

Held, That such acts and practices were in violation of said Wool Products Labeling Act of 1939 and Rules and Regulations promulgated thereunder, and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Mr. DeWitt T. Puckett for the Commission.

COMPLAINT.

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said acts, the Federal Trade Commission, having reason to believe that Rockwell Woolen Company, a corporation, hereinafter referred to as respondent, has violated the provisions of said acts and the rules and regulations promulgated under the Wool Products Labeling Act of 1939, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. The respondent, Rockwell Woolen Company, is a corporation, organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, and has its principal office and place of business located at Leominster, Mass.

PAR. 2. Respondent is engaged in the introduction and manufacture for introduction into commerce, and in the sale, transportation and distribution of wool products, as such products are defined in the Wool Products Labeling Act of 1939, in commerce, as "commerce" is defined in said act and in the Federal Trade Commission Act. Many of respondent's said products are composed in whole or in part of wool, reprocessed wool and reused wool, as those terms are defined in the Wool Products Labeling Act of 1939, and such products are subject to the provisions of said act and the rules and regulations promulgated thereunder. Since July 15, 1941, respondent has violated the provisions of said act and said rules and regulations in the introduction and manufacture for introduc-