

Complaint

IN THE MATTER OF

VERA P. WILLIAMS, DOING BUSINESS AS THE
C. I. TOGSTAD COMPANY: AND L. O. WILLIAMS

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

Docket 5080. Complaint, Nov. 12, 1943—Decision, Sept. 29, 1944

Where an individual engaged in the manufacture and interstate sale and distribution of a product for cleaning garments and other fabrics, designated "Dip-Clean," and her agent and general manager; through advertisements in circulars and periodicals and in other ways—

- (a) Represented that said preparation completely took the place of and was better than soap, that it was not necessary to rinse articles that had been dipped in a solution thereof, that there was nothing in said "Dip-Clean" that would harm the most delicate fabrics, and that it would remove soiled spots and stains from garments and fabrics;

When in fact it was not an efficient substitute for soap in washing clothes, failure to rinse Dip-Clean solution out of garments or fabrics might cause damage to them, said solution would cause some dyes to run and color to fade, a strong solution was damaging to wool and silk, and dipping garments or fabrics in a solution thereof would not remove all spots and stains; and

- (b) Falsely represented that said "Dip-Clean" had no competition from other products for the same or similar purposes, through such statements as "Test this utterly new and different product yourself. Handle an item with absolutely no competition,"

With effect of misleading and deceiving a substantial portion of the purchasing public into the erroneous belief that said representations were true and into purchase of substantial quantities of said product by reason thereof:

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.

Before *Mr. Miles J. Furnas*, trial examiner.

Mr. Joseph Callaway for the Commission.

McClure & Shenk, of Kokomo, Ind., for respondents.

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 Vera P. Williams, trading and doing business as The C. I. Togstad Co., and L. O. Williams, her agent and general manager of said business, hereinafter referred to as respondents, have violated the provisions of 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, Vera P. Williams, is an individual, trading

and doing business as The C. I. Togstad Co., with her place of business at Togstad Building, Kokomo, Ind. L. O. Williams, is an individual, and is agent for the said Vera P. Williams and general manager of said business. His address is also Togstad Building, Kokomo, Ind. Said respondents have acted together and in cooperation with each other in conducting said business and in doing the acts and things hereinafter alleged.

PAR. 2. Respondents are now and for more than one year last past have been engaged in the manufacture, sale and distribution of a certain detergent for cleaning garments and other fabrics now designated as Dip-Clean and formerly designated as Wonder-Kleen.

In the course and conduct of their said business the respondents cause said product, when sold, to be transported from their place of business in the State of Indiana to the 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 among and between the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their said business and for the purpose of inducing the purchase of their said product in commerce, respondents have made and are now making certain false, deceptive and misleading statements and representations regarding the value and efficacy of their said product by means of printed circulars and advertisements inserted in magazines circulated generally among the purchasing public and in various other ways. Typical representations are as follows:

Just DIP

Things CLEAN

Dip-Clean, amazing new scientific discovery makes soap obsolete.

Cleans by Dipping

Needs no Rinsing

Dip-Clean

Saves Precious Silks, Nylons, Rayons, Woolens, Cottons. Can't harm most delicate fabrics or colors. Removes spots and stains.

Nothing in Dip-Clean which can possibly harm the most delicate garment if left in without rinsing.

Test this utterly new and different product yourself. Handle an item with absolutely no competition.

PAR. 4. Through the use of the foregoing statements and representations and others of similar import and meaning not specifically set out herein, the respondents have represented and are now representing, among other things, that the preparation designated as Dip-Clean completely takes the place of soap and is better than soap; that it is not necessary to rinse any articles that have been dipped in a solution of Dip-Clean; that there is nothing in Dip-Clean that will harm the most delicate fabrics or colors; that it will remove soiled spots and stains from garments and fabrics; that Dip-Clean has no competition from other products offered for the same or similar purposes.

PAR. 5. The foregoing representations are false, deceptive and misleading in the following respects: The preparation designated as Dip-Clean will

not take the place of soap nor is it an efficient substitute for soap in washing clothes. Failure to rinse Dip-Clean solution out of garments or fabrics may cause damage to them. Dip-Clean solution will cause some dyes to run and the color to fade. A strong solution is damaging to wool and silk. Dipping garments or fabrics in a solution of Dip-Clean will not remove all spots and stains. Other detergent preparations are sold in competition with Dip-Clean.

PAR. 6. The use by the respondents of the foregoing false, deceptive and misleading statements and representations disseminated as aforesaid in connection with the offering for sale and sale of their said products in commerce among and between the several States and in the District of Columbia, 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 such statements and representations are true and into the purchase of substantial quantities of such product in said commerce because of such erroneous and mistaken belief.

PAR. 7. The aforesaid acts and practices of the respondents 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 November 12, 1943, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them 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 respondents' answer, the Commission, by order entered herein, granted respondents' 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, 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 said complaint and substitute answer; and the Commission, having duly considered the matter and being now fully advised in the premises, makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Vera P. Williams, is an individual, trading and doing business as The C. I. Togstad Co., with her place of business in the Togstad Building, Kokomo, Ind. Respondent, L. O. Williams, is an individual, and is agent for the said Vera P. Williams and general manager of said business. His address is also Togstad Building, Kokomo, Ind. Said respondents have acted together and in cooperation with each other in conducting said business and in doing the acts hereinafter set forth.

PAR. 2. Respondents are now, and for more than one year last past have been, engaged in the manufacture, sale, and distribution of a certain detergent product for cleaning garments and other fabrics, now designated as "Dip-Clean" and formerly designated as "Wonder-Kleen." In the course and conduct of their business the respondents cause said product, when sold, to be transported from their place of business in the State of Indiana to the 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 and for the purpose of inducing the purchase of their said product in commerce, as herein described, respondents have made, and are now making, certain false, deceptive, and misleading statements and representations regarding the value and efficiency of their said product by means of printed circulars and advertisements inserted in magazines circulated generally among the purchasing public, and in various other ways. Typical of such representations are the following:

Just DIP

Things CLEAN

Dip-Clean, amazing new scientific discovery makes soap obsolete.

Cleans by Dipping

Needs no Rinsing

Dip-Clean

Saves Precious Silks, Nylons, Rayons, Woolens, Cottons. Can't harm most delicate fabrics or colors. Removes spots and stains.

* * * * *

Nothing in Dip-Clean which can possibly harm the most delicate garment if left in without rinsing.

* * * * *

Test this utterly new and different product yourself. Handle an item with absolutely no competition.

PAR. 4. Through the use of the foregoing statements and representations and others of similar import and meaning not specifically set out herein, the respondents have represented, and are now representing, among other things, that the preparation designated as "Dip-Clean" completely takes the place of soap and is better than soap; that it is not necessary to rinse any articles that have been dipped in a solution of Dip-Clean; that there is nothing in Dip-Clean that will harm the most delicate fabrics or colors; that it will remove soiled spots and stains from garments and fabrics; and that Dip-Clean has no competition from other products offered for the same or similar purposes.

PAR. 5. The foregoing representations are false, deceptive, and misleading in the following respects: The preparation designated as "Dip-Clean" will not take the place of soap, nor is it an efficient substitute for soap in washing clothes; failure to rinse Dip-Clean solution out of garments or

fabrics may cause damage to them; Dip-Clean solution will cause some dyes to run and the color to fade; a strong solution of Dip-Clean is damaging to wool and silk; dipping garments or fabrics in a solution of Dip-Clean will not remove all spots and stains; and other detergent preparations are sold in competition with Dip-Clean.

PAR. 6. The use of the respondents of the foregoing false, deceptive, and misleading statements and representations with respect to their said product, disseminated as aforesaid, 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 such statements and representations are true, and into the purchase of substantial quantities of such product in said commerce because of such erroneous and mistaken belief.

CONCLUSION

The aforesaid acts and practices of the 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 substitute answer of respondents, in which answer respondents admitted all the material allegations of fact set forth in said complaint and waived 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 respondents, Vera P. Williams, an individual, trading as The C. I. Togstad Co., or under any other name, and L. O. Williams, individually, or as general manager of Vera P. Williams, trading as The C. I. Togstad Co., or under any other name, jointly or severally, their representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of the product "Dip-Clean," or any other product of substantially similar composition or possessing substantially similar properties, whether sold under the same name or any other name, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That said product will take the place of soap or that it is an efficient substitute for soap.
2. That it is unnecessary to rinse articles which have been dipped in a solution containing said product, without disclosing that failure to do so may result in damage to such articles.
3. That said product will not cause colors to run or fade.
4. That said product will not harm fabrics, without disclosing that a strong solution of said product may damage silk or wool.

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5. That said product will remove soiled spots and stains from garments and fabrics, unless such representation is accurately qualified.

6. That sellers of said product have no competition from products offered for the same or similar purposes by others.

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

IN THE MATTER OF

FRED GREENBERG AND ROSE GREENBERG, TRADING AS
NATIONAL MERCHANDISING COMPANY, AND MAX H.
GREEN

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

Docket 4936. Complaint, Mar. 29, 1943—Decision, Oct. 2, 1944

Where two individuals engaged in the competitive interstate sale and distribution of various articles of merchandise, including jackets, fishing tackle, silverware, radios, rifles, wallets and pen and pencil sets—

Furnished devices and plans of merchandising involving the operation of games of chance, gift enterprises or lottery schemes, through distributing to members of the public sales literature and a 50 disk push card for use in the sale of the merchandise under a plan, as there explained, by which the amount paid for a chance was determined by the number revealed by punching the disk over the feminine name selected from those displayed on the card, the person selecting the name corresponding to that under the card's master seal received as a prize his choice of certain articles, including fishing tackle, a set of silverware, a rifle, a radio and a clock, and persons pushing numbers 20, 30, 40 and the last disk on the card each received a pair of small copper drinking cups, others receiving nothing for their money; and thereby

Supplied to and placed in the hands of others the means of conducting lotteries in the sale of their merchandise, in accordance with aforesaid plans under which the amounts paid by persons, and whether they would receive an article or nothing for their money were determined wholly by luck or chance, contrary to an established public policy of the United States Government and in competition with those who do not use any such sales plan;

With result that many persons were attracted by their said sales plan and the element of chance involved therein, and were thereby induced to buy and sell said merchandise in preference to that of aforesaid competitors, whereby substantial trade was diverted unfairly from said competitors to them:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice of the public and competitors, and constituted unfair methods of competition in commerce and unfair acts and practices therein.

Before *Mr. J. Earl Cox*, trial examiner.

Mr. J. W. Brookfield, Jr. 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 Fred Greenberg and Rose Greenberg, individuals, trading as National Merchandising Co., and Max H. Greenberg, hereinafter referred to as respondents, have violated the provisions of said act, and it appearing to the Commission that a proceeding by it in