

IN THE MATTER OF
AUTOMATIC ELECTRICAL DEVICES CO.

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

Docket 4741. Complaint, Mar. 31, 1942—Decision, June 29, 1945

Where a corporation engaged in the manufacture and interstate sale and distribution of its "Homozone" devices, designed to generate ozone by the passage of an electrical current through air and to disseminate it through the rooms or enclosures in which the devices were placed, or through water—

- (a) Represented, directly or by implication, through advertisements in circulars, leaflets, pamphlets and other advertising literature, that use of its said devices would give relief to persons afflicted with many ailments, including diseases of the respiratory system, such as asthma, bronchitis and hay fever, sinus trouble and heart ailments; and would avert colds and headaches, destroy bacteria, lessen or avert fatigue, and promote and improve the general health;

The facts being use of said devices produced no beneficial therapeutic consequences; they did not produce, under ordinary conditions of use, a concentration of ozone in the atmosphere sufficient to destroy bacteria, and such a concentration would be extremely dangerous, and even fatal, to humans;

- (b) Represented, falsely, as aforesaid, that use of said devices in connection with poultry would reduce deaths, avert disease and the effects thereof, prevent the spread of infection and infectious diseases, relieve respiratory ailments, cure "Roup," and disinfect places where poultry was kept; and that in connection with animals it was of value in the treatment of respiratory diseases;

The facts being, as noted above, that the device would not produce an ozone concentration in the atmosphere, under ordinary conditions of use, sufficient to have any significant effect upon the organisms of infectious diseases;

- (c) Represented, directly or by implication, through advertisements in folders, circulars, newspapers and magazines that said devices would not merely mask, but would destroy and eliminate, odors of many kinds by oxidation;

The facts being that while it was its purpose, in installing its devices, to have them so adjusted that the amount of free ozone in the atmosphere would be just below that at which its odor is perceptible—approximately 1 part of ozone to 20,000,000 parts of air—changes from the conditions prevailing at the time of installation, such as decreased humidity, less exchange with outside air, less smoke, less odor, might result in an increase in the ratio of ozone to air to a degree which would render it irritant to the respiratory organs; while some odors are oxidizable by ozone, they might be present in such concentrations that they could not be more than partially oxidized by the concentrations of ozone which said devices were capable of producing, and the unoxidized remainder would be perceptible; other odors are not affected by ozone; and both types of odors are rendered less perceptible by reason of fatigue of the organs of smell, with consequent blunting of the sensory capacity, caused by airozone mixtures; and when the odor of ozone is perceptible there is, in addition, a masking effect on other odors;

- (d) Failed to reveal in their advertisements that the concentration of ozone should not be permitted to exceed one-half part of ozone per million parts of air, that breathing near the devices in operation should be avoided, or that the inhalation of an excessive amount of ozone might result in irritation to the respiratory organs; and
- (e) Represented, as above set forth, that said devices would eliminate all offensive

odors and tastes from water, sterilize it, purify it and render it sparkling and free from bacteria;

The facts being that any substantial improvement in sterility, purity, taste, smell or bacteria content of water by ozone in the concentration given by said devices—about 2.65 parts of ozone per million parts of water by weight—would result from their use only in connection with waters but slightly polluted by bacteria or by oxidizable matter causing unpleasant taste or smell; and the ozone generated by said devices would have no effect upon matter suspended in water and would not make cloudy water sparkling or clear:

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. J. Earl Cox*, trial examiner.

Mr. Randolph W. Branch for the Commission.

Nash & Donnelly, of Washington, D. C., for respondent.

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 Automatic Electrical Devices Co., a corporation, hereinafter referred to as respondent, has violated the provision 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, Automatic Electrical Devices Co., is a corporation, organized under the laws of the State of Ohio, and having its office and principal place of business at 324 East 3rd Street, Cincinnati, Ohio.

PAR. 2. Respondent is now, and has been for more than three years last past, engaged in the business of manufacturing, selling and distributing devices designated as "Homozone," designed and intended to generate ozone by the passage of an electrical current through air and to disseminate it through the rooms or enclosures in which the devices are placed, or through water.

In the course and conduct of its said business, respondent has caused said devices, when sold, to be transported from its aforesaid place of business in the State of Ohio to purchasers thereof located in various other States of the United States, and in the District of Columbia.

Respondent maintains, and at all times mentioned herein has maintained a course of trade in said devices 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 its aforesaid business respondent has disseminated, and is now disseminating, and has caused, and is now causing the dissemination of, false advertisements concerning its said devices by the United States mails, and by various other means in commerce, as "commerce" is defined in the Federal Trade Commission Act, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of said devices; and respondent has also disseminated, and is now disseminating, and has caused and is now causing, the dissemination of false advertisements by various means for the purpose of inducing and which are likely to induce, directly or indirectly, the purchase of

said devices in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Among and typical of the false, misleading and deceptive statements and representations contained in said false advertisements, disseminated and caused to be disseminated as aforesaid, with respect to the beneficial effects of the use of said air-treating devices upon human beings, were the following:

Cardiac patients, as well as those suffering from asthmatic and other temporary afflictions have obtained great relief from the Homozone—.

Ozone also affords a valuable means of assisting in the relief of many human ailments and particularly those of respiratory type, such as Asthma, Bronchitis, Hay Fever, Sinus, etc.—Remember HOMOZONE is nature's pure Ozone.

Homozone greatly reduces colds, etc., and to generally promote the health of those breathing this slightly Ozonized and re-vitalized air.

* * * students—continually complained of colds and headaches, because of impure air, but since installing the Homozone the students have no headaches or colds.—

—ozone—destroys—where present in the necessary concentration, minute animal and plant organisms as well (Bacteria, fungi growth, etc.).

—ozone, in the presence of moisture has fully demonstrated itself capable of destroying even the more resistant types of bacteria.—

In the office—prevents that 3 o'clock "let-down" feeling.

Clean, Pure Health-giving Air as Nature intended we should breathe it.

PAR. 4. By the use of the statements and claims hereinabove set forth and others similar thereto not specifically set out herein, respondent has represented, directly or by implication, that the use of its said devices will give relief to persons afflicted with many ailments, including diseases of the respiratory system, such as asthma, bronchitis and hay fever, sinus trouble and heart ailments; that it will avert colds and headaches, destroy bacteria, lessen or avert fatigue, and promote and improve the general health.

PAR. 5. The aforesaid representations and advertisements used and disseminated by respondent hereinabove described, were exaggerated, misleading and untrue. In truth and in fact the use of respondent's devices produces no beneficial therapeutic consequences. It will not relieve persons afflicted with ailments of the respiratory system, including asthma, bronchitis and hay fever. It will not relieve persons suffering from sinus trouble or heart ailments. It will not avert headaches or colds, lessen or avert fatigue, or improve the general health. The devices are not capable of producing, under ordinary conditions of use, a concentration of ozone in the atmosphere sufficient to destroy bacteria, and such a concentration would be extremely dangerous, if not fatal, to humans.

PAR. 6. Among and typical of the false, misleading and deceptive statements and representations contained in said false advertisements disseminated and caused to be disseminated by respondent, in the manner set forth in paragraph 3, with respect to the beneficial effects of the use of said air-treating devices upon poultry and in the raising thereof, and upon animals were the following:

(With respect to poultry)

Stops costly losses.

Assists in preventing disease, materially reduces Mortality Losses.

Assists in the relief of many respiratory ailments.

Assists in Preventing Disease and Infection.

Reduces Amount of Disinfectants Required.

Reduces Mortality of baby chicks and grown fowls.

Relieves Many types of ailments.

—ozone has definitely and positively reduced poultry losses thru assisting in the prevention, as well as the spread and effects of many infectious diseases.

—remarkably efficient in treating certain poultry ailments such as "Roup" or as it is more commonly called the "Gaps."

Ozone assists in both preventing, as well as arresting the spread of many infectious poultry diseases. Among these are—respiratory afflictions—.

(With respect to animals)

—Ozone is a decided help in the treatment of respiratory diseases.

PAR. 7. By the use of the statements and claims hereinabove set forth and others similar thereto not specifically set out herein, respondent has represented, directly and by implication, that the use of the said devices in connection with poultry will reduce deaths among poultry, avert disease, and the effects thereof, prevent the spread of infection and infectious diseases, relieve respiratory ailments, cure "Roup," and will disinfect places where poultry is kept; and that in connection with animals it is of value in the treatment of respiratory diseases.

PAR. 8. The aforesaid representations and advertisements used and disseminated by respondent as hereinabove described, were exaggerated, misleading and untrue. In truth and in fact the use of respondent's devices will not reduce deaths among poultry. It will not prevent diseases among poultry nor avert the effects thereof. It will not produce an ozone concentration in the atmosphere, under ordinary conditions of use, sufficient to have any significant effect upon the bacilli of infectious diseases, and such a concentration would be dangerous or fatal to poultry. It will not benefit respiratory ailments of poultry, nor will it cure "Roup." It is of no value in the treatment of respiratory diseases in animals.

PAR. 9. In addition to the representations hereinabove set forth, respondent has also engaged in the dissemination of false advertisements in the manner above set forth, in that said advertisements so disseminated failed to reveal that injury to humans, poultry or animals may result if the ozone concentration exceeds one part in two million of air, or if the output of the devices is breathed before being thoroughly diluted by mixing with air.

PAR. 10. In the course and conduct of its said business and for the purpose of inducing the purchase of the said devices, respondent has made and caused to be made by means of advertising folders and circulars sent through the United States mail to prospective purchasers in various States of the United States, and advertisements in newspapers and magazines of general circulation, representations and claims with respect to the efficacy of its said air-treating devices as deodorizers and the manner in which they accomplish this purpose. Among and typical of the claims and representations so made by respondent were the following:

Unlike strong disinfectants—which merely mask an objectionable odor with one more pleasant, Homozone actually destroys or greatly reduces by oxidation practically all common odors of organic and many of chemical origin.

Many prominent hospitals, sanitariums, Homes for the Aged and Infirm, Insane Asylums, etc., as well as Practicing Physicians, have found the Homozone to be a necessity, both for the elimination of common Hospital and Office Odors as well as in case of decaying flesh and bone, viz: Cancerous growths, Discharging Ulcers, Offensive Forms of Tuberculosis, Osteomyelitis, Peritonitis, Uremic Poisoning, Dysentery, certain types

of Skin Eruptions, Post Mortem Examination, etc., Such obnoxious odors are quickly destroyed—.

The Homozone is also being used—for the destruction of strong smoking, cooking, toilet, washrooms and other odors where it has proven a complete success.

—does not merely mask any odor of organic origin, but actually destroys it through chemically oxidizing it into an entirely different compound, which in most cases is entirely harmless and odorless.

Purifies foul and Tobacco-laden air; destroys smoke and other odors like magic.

Ozone destroys the odors of cooking meats, fish, vegetable and the like as well as those of tobacco smoke, “dead” cigars, stale beer and natural body odors, etc.—.

—the destruction and total elimination of odors.

PAR. 11. By the use of the statements and claims hereinabove set forth, and others similar thereto not specifically set out herein, respondent has represented, directly and by implication, that its said devices will not merely mask but destroy and eliminate odors of many kinds by oxidation thereof.

PAR. 12. The aforesaid representations so made and disseminated by respondent in the course of its aforesaid business were misleading and untrue. In truth and in fact the devices will not destroy or eliminate odors, by oxidation or otherwise, but merely mask them or cover them up by the odor of ozone. The ozone produced by the devices also tends to set up, in persons exposed to it, a temporary deadening of the sense of smell.

PAR. 13. In the manner set forth in paragraph 10 hereof, respondent has made and caused to be made representations and claims with respect to its “Homozone” devices for the ozonization of water. Among and typical of the claims and representations so made by respondent were the following:

Now! Pure Spring-Like “Soft” Tasting Drinking Water.—Homozone deodorizes and purifies bad-tasting, evil smelling water instantly!

Now—Sparkling, Aerated, Palatable Drinking Water from your faucet.

Eliminate Objectionable Tastes and Odors.

Making water more pleasant and palatable to drink.

But few water supplies, unless chemically treated therefor, are entirely free from foreign odors and tastes.—The Public—demands—water that is both sparkling clear as well as free from all objectionable odors and taste, and which in our opinion, OZONE, and ozone alone is capable of producing.

Ozone has likewise been used for many years by large beverage manufacturers, to remove foreign odors and tastes from their usual water supply, as well as to make it bacteria free and sparkling.

Ozone has thus definitely proven itself to be a most efficient means for the sterilization of polluted water as well as the last word in removing foreign tastes therefrom—there is now available a small inexpensive water ozonizer—an exclusive HOMOZONE development.

PAR. 14. By the use of the statements and claims hereinabove set forth, and others similar thereto not specifically set out herein, respondent has represented, directly and by implication, that the said devices will eliminate all offensive odors and tastes from water, sterilize it, purify it, and render it free from bacteria.

PAR. 15. The aforesaid representations so made and disseminated by respondent in the course and conduct of its business were misleading and untrue. In truth and in fact the devices will not eliminate all offensive odors and tastes from water; neither will they sterilize water, purify it or render it bacteria-free.

PAR. 16. The use by respondent of the foregoing false, deceptive and misleading statements, representations and advertisements with respect to its devices, disseminated as aforesaid, in connection with the sale of its devices has had the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such statements, representations and advertisements were true, and to induce a substantial portion of the purchasing public, because of said erroneous and mistaken belief, to purchase respondent's said devices.

PAR. 17. The aforesaid acts and practices of 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 31st day of March, 1942, issued and thereafter served its complaint in this proceeding upon said respondent, Automatic Electrical Devices Co., charging it with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. On April 21, 1942, the respondent filed its answer in this proceeding. Thereafter a stipulation was entered into whereby it was stipulated and agreed that a statement of facts signed and executed by respondent's counsel and Richard P. Whiteley, Assistant Chief Counsel for the Federal Trade Commission, subject to the approval of the Commission, may be taken as the facts in this proceeding and in lieu of testimony in support of the charges stated in the complaint or in opposition thereto, and that said Commission may proceed upon said statement of facts to make its report stating its findings as to the facts and its conclusion based thereon and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs. Thereafter this proceeding regularly came on for final hearing before the Commission on said complaint, answer and stipulation, said stipulation having been approved, accepted and filed, and the Commission, having duly considered the same and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Automatic Electrical Devices Co., is a corporation, organized under the laws of the State of Ohio, and having its office and principal place of business at 324 East Third Street, Cincinnati, Ohio.

PAR. 2. Respondent is now, and has been for more than three years last past, engaged in the business of manufacturing, selling and distributing devices designated as "Homozone," designed and intended to generate ozone by the passage of an electrical current through air and to disseminate it through the rooms or enclosures in which the devices are placed, or through water.

In the course and conduct of its said business, respondent has caused said devices, when sold, to be transported from its aforesaid place of business in the State of Ohio to purchasers thereof located in various other States of the United States, and in the District of Columbia.

PAR. 3. In the course and conduct of its aforesaid business respondent has disseminated, and is now disseminating, and has caused, and is now causing, the dissemination of false advertisements concerning its said devices by the United States mails, and by various other means in commerce as "commerce" is defined in the Federal Trade Commission Act; and respondent has also disseminated, and is now disseminating, and has caused, and is now causing, the dissemination of false advertisements by various means for the purpose of inducing and which are likely to induce, directly or indirectly, the purchase of said devices in commerce as "commerce" is defined in the Federal Trade Commission Act.

Among and typical of the statements and representations contained in said advertisements, disseminated and caused to be disseminated as aforesaid, by the United States mails, and by circulars, leaflets, pamphlets and other advertising literature, with respect to the beneficial effects of the use of said air-treating devices upon human beings, were the following:

Cardiac patients, as well as those suffering from asthmatic and other temporary afflictions have obtained great relief from the Homozone—.

Ozone also affords a valuable means of assisting in the relief of many human ailments and particularly those of respiratory type, such as Asthma, Bronchitis, Hay Fever, Sinus, etc.—Remember HOMOZONE is nature's pure Ozone.

Homozone greatly reduces colds, etc., and to generally promote the health of those breathing this slightly Ozonized and re-vitalized air.

* * * students—continually complained of colds and headaches, because of impure air, but since installing the Homozone the students have no headaches or colds.—

—ozone—destroys—where present in the necessary concentration, minute animal and plant organisms as well (Bacteria, fungi growth, etc.).

—ozone, in the presence of moisture has fully demonstrated itself capable of destroying even the more resistant types of bacteria.—

in the office—prevents that 3 o'clock "let-down" feeling.

Clean, Pure Health-giving Air as Nature intended we should breathe it.

PAR. 4. By the use of the statements and claims hereinabove set forth and others similar thereto not specifically set out herein, respondent has represented, directly or by implication, that the use of its said devices will give relief to persons afflicted with many ailments, including diseases of the respiratory system, such as asthma, bronchitis and hay fever, sinus trouble and heart ailments; that it will avert colds and headaches, destroy bacteria, lessen or avert fatigue, and promote and improve the general health.

PAR. 5. The use of respondent's devices produces no beneficial therapeutic consequences. It will not relieve persons afflicted with ailments of the respiratory system, including asthma, bronchitis and hay fever. It will not relieve persons suffering from sinus trouble or heart ailments. It will not avert headaches or colds, lessen or avert fatigue, or improve the general health. The devices do not produce, under ordinary conditions of use, a concentration of ozone in the atmosphere sufficient to destroy bacteria, and such a concentration would be extremely dangerous, if not fatal, to humans.

PAR. 6. Among and typical of the statements and representations contained in said false advertisements disseminated and caused to be disseminated by respondent, in the manner set forth in paragraph 3, with respect to the beneficial effects of the use of said air-treating devices upon poultry and in the raising thereof, and upon animals were the following:

(With respect to poultry)

Stops costly losses.

Assists in preventing disease, materially reduces Mortality Losses.

Assists in the relief of many respiratory ailments.

Assists in Preventing Disease and Infection.

Reduces Amount of Disinfectants Required.

Reduces Mortality of baby chicks and grown fowls.

Relieves Many types of ailments.

—ozone has definitely and positively reduced poultry losses thru assisting in the prevention, as well as the spread and effects of many infectious diseases.

—remarkably efficient in treating certain poultry ailments such as "Roup" or as it is more commonly called the "Gaps."

Ozone assists in both preventing, as well as arresting the spread of many infectious poultry diseases. Among these are—respiratory afflictions—.

(With respect to animals).

—Ozone is a decided help in the treatment of respiratory diseases.

PAR. 7. By the use of the statements and claims hereinabove set forth and others similar thereto not specifically set out herein, respondent has represented, directly and by implication, that the use of the said devices in connection with poultry will reduce deaths among poultry, avert disease, and the effects thereof, prevent the spread of infection and infectious diseases, relieve respiratory ailments, cure "Roup," and will disinfect places where poultry is kept; and that in connection with animals it is of value in the treatment of respiratory diseases.

PAR. 8. The use of respondent's devices will not reduce deaths among poultry. It will not prevent diseases among poultry nor avert the effects thereof. It will not produce an ozone concentration in the atmosphere, under ordinary conditions of use, sufficient to have any significant effect upon the organisms of infectious diseases, and such a concentration would be dangerous or fatal to poultry. It will not benefit respiratory ailments of poultry, nor will it cure "Roup." It is of no value in the treatment of respiratory diseases in animals. It produces no therapeutic results beneficial to poultry or animals.

PAR. 9. In the course and conduct of its said business and for the purpose of inducing the purchase of the said devices, respondent has made and caused to be made by means of advertising folders and circulars sent through the United States mail to prospective purchasers in various States of the United States, and advertisements in newspapers and magazines of general circulation, representations and claims with respect to the efficacy of its said air-treating devices as deodorizers and the manner in which they accomplish this purpose. Among and typical of the claims and representations so made by respondent were the following:

Unlike strong disinfectants—which merely mask an objectionable odor with one more pleasant, Homozone actually destroys or greatly reduces by oxidation practically all common odors of organic and many of chemical origin.

Many prominent hospitals, sanitariums, Homes for the Aged and Infirm, Insane Asylums, etc., as well as Practicing Physicians, have found the Homozone to be a necessity, both for the elimination of common Hospital and Office Odors as well as in case of decaying flesh and bone, viz: Cancerous growths, Discharging Ulcers, Offensive Forms of Tuberculosis, Osteomyelitis, Peritonitis, Uremic Poisoning, Dysentery, certain types of Skin Eruptions, Post Mortem Examination, etc., Such obnoxious odors are quickly destroyed—,

The Homozone is also being used—for the destruction of strong smoking, cooking, toilet, washrooms and other odors where it has proven a complete success.

—does not merely mask any odor of organic origin, but actually destroys it through chemically oxidizing it into an entirely different compound, which in most cases is entirely harmless and odorless.

Purifies foul and Tobacco-laden air; destroys smoke and other odors like magic.

Ozone destroys the odors of cooking meats, fish, vegetables and the like as well as those of tobacco smoke, "dead" cigars, stale beer and natural body odors, etc.—

—the destruction and total elimination of odors.

PAR. 10. By the use of the statements and claims hereinabove set forth, and others similar thereto not specifically set out herein, respondent has represented, directly and by implication, that its said devices will not merely mask but destroy and eliminate odors of many kinds by oxidation thereof.

PAR. 11. In installing its devices, it is the respondent's purpose to have them so adjusted as to give an output which will result in the amount of free ozone in the atmosphere at the time of adjustment being just below that at which its odor is perceptible. This odor is perceptible when the atmosphere contains approximately 1 part of ozone to 20,000,000 parts of air. However, changes from the conditions prevailing at the time of installation, such as decreased humidity, less exchange with outside air, less smoke, less odor, and many other changes may result in an increase in the ratio of ozone to air to a degree which will render it irritant to the respiratory organs. Air containing over one-half part of ozone to one million parts of air is irritant to the respiratory organs and at no time should this concentration be exceeded. Breathing near the devices when in operation should be avoided.

Respondent's advertisements do not reveal that the concentration of ozone should not be permitted to exceed one-half part of ozone per million parts of air, that breathing near the devices in operation should be avoided or that the inhalation of an excessive amount of ozone may result in an irritation to the respiratory organs.

PAR. 12. Some odors are of such a chemical composition that they are susceptible of oxidation by ozone, but such oxidation will be limited by the amount of ozone present. Oxidizable odors may be present in such concentration that they cannot be more than partially oxidized by the concentrations of ozone which respondent's devices are capable of producing, and the unoxidized remainder may be perceptible. Other odors are so chemically constituted as to be unoxidizable and will not be affected by ozone. Residual oxidizable odors remaining after partial oxidation by ozone and nonoxidizable odors are rendered less perceptible by reason of the fatigue of the sensory organs of smell, with a consequent reduction or blunting of the sensory capacity which is caused by air-ozone mixtures, and when the odor of ozone is perceptible there is, in addition, a masking effect on other odors.

PAR. 13. In the manner set forth in paragraph 9 hereof, respondent has made and caused to be made representations and claims with respect to its "Homozone" devices for the oxonization of water. Among and typical of the claims and representations so made by respondent were the following:

Now! Pure Spring-Like "Soft" Tasting Drinking Water.—Homozone deodorizes and purifies bad-tasting, evil smelling water instantly!

Now—Sparkling, Aeration, Palatable Drinking Water from your faucet.

Eliminate Objectionable Tastes and Odors.

Making water more pleasant and palatable to drink.

But few water supplies, unless chemically treated therefor, are entirely free from foreign odors and tastes.—The Public—demands—water that is both sparkling clear as well as free from all objectionable odors and taste, and which in our opinion, OZONE, and ozone alone is capable of producing.

Ozone has likewise been used for many years by large beverage manufacturers, to remove foreign odors and tastes from their usual water supply, as well as to make it bacteria free and sparkling.

Ozone has thus definitely proven itself to be a most efficient means for the sterilization of polluted water as well as the last word in removing foreign tastes therefrom—there is now available a small inexpensive water ozonizer—an exclusive HOMOZONE development.

PAR. 14. By the use of the statements and claims hereinabove set forth, and others similar thereto not specifically set out herein, respondent has represented, directly and by implication, that the said devices will eliminate all offensive odors and tastes from water, sterilize it, purify it, and render it sparkling and free from bacteria.

PAR. 15. The said devices give concentrations of approximately 2.65 parts of ozone per million parts of water by weight. The bactericidal effect and the effect upon unpleasant tastes and odors of ozone in this concentration is limited, and any substantial improvement in sterility, purity, taste, smell or bacteria content will result from the use of these devices only in connection with waters but slightly polluted by bacteria or by oxidizable matter causing unpleasant taste or smell. The ozone generated by these devices has no effect upon matter suspended in water which is treated and will not make cloudy water sparkling or clear. The devices are not a notably effective means of sterilizing polluted water nor the most efficient means of removing unpleasant tastes therefrom.

CONCLUSION

The aforesaid acts and practices of respondent, 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, the answer of the respondent and a stipulation as to the facts entered into between the respondent herein and Richard P. Whiteley, Assistant Chief Counsel for the Commission, which stipulation provides, among other things, that without further evidence or other intervening procedure, the Commission may issue and serve upon the respondent herein findings as to the facts and conclusion based thereon, and an order disposing of the proceeding, 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, Automatic Electrical Devices Co., its officers, representatives, agents and employees directly or through any cor-

porate or other device in connection with the offering for sale, sale or distribution of respondent's devices designated "Homozone" or any other devices of substantially similar character, whether sold under the same name or under any other name, do forthwith cease and desist from directly or indirectly:

1. Disseminating or causing to be disseminated any advertisement by means of the United States mails or by any means in commerce as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents directly or by implication:

(a) That the use of respondent's Homozone devices, designed for the treatment of air, in connection with humans, constitutes a competent, adequate or effective treatment for sinus trouble, heart ailments, and diseases or ailments of the respiratory system, including asthma, bronchitis and hay fever; will avert headaches or colds; will lessen fatigue, destroy bacteria, or improve and promote the general health.

(b) That the use of said devices, designed for the treatment of air, in connection with poultry, will reduce deaths, prevent disease or its effects; will have any effect upon the organisms causing infectious diseases or will prevent the spread of infectious diseases; will be beneficial in the treatment of respiratory ailments; will cure roup or have any beneficial therapeutic value in the treatment of any disease or ailment in poultry.

(c) That the use of said devices, designed for the treatment of air, in connection with animals, will be beneficial in the treatment of respiratory diseases or will have any beneficial therapeutic value in the treatment of any disease or ailment in animals.

2. Disseminating or causing to be disseminated any advertisement by means of the United States mails, or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement fails to reveal that changes from the conditions prevailing at the time of installation may render the atmosphere in which respondent's devices for the treatment of air are operated, irritant to the respiratory organs; that the concentration of ozone in any case should not be allowed to exceed one half part of ozone to one million parts of air; that breathing near the devices should be avoided, and that the inhalation of excessive amounts of ozone may result in irritation of the respiratory organs; provided, however, that any such advertisement need contain only the statement "CAUTION: Use and Operate only as Directed," if and when the directions for use and operation are attached to the device and contain the revelations required by this paragraph.

3. Disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce directly or indirectly the purchase in commerce as "commerce" is defined in the Federal Trade Commission Act of respondent's devices, which advertisement contains any representation prohibited in paragraph 1 hereof; or which fails to contain the warning set forth in paragraph 2 unless the conditions of the proviso set forth therein are observed.

It is further ordered, That the respondent, Automatic Electrical Devices Co., its officers, representatives, agents and employees, directly or through any corporate or other device in connection with the offering for sale, sale and distribution of respondent's devices designated "Homozone," or any other devices of substantially similar character, whether sold under the same name or under 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:

(a) That the use of said Homozone devices, designed for the treatment of air, will destroy odors unless limited to such odors which, by reason of their composition or degree of concentration, may be oxidized by ozone, and as to these odors that the deodorizing effect is limited by the amount of ozone generated and available for oxidation.

(b) That said devices, designed for the treatment of air, have any effect upon the perceptibility of odors that cannot be oxidized in excess of a masking effect or the fatigue of the sensory organs caused by ozone.

(c) That the amount of ozone generated by said devices, designed for the treatment of water, will deodorize water or render it free from bacteria except in cases of slight pollution, or will render water palatable, sterile or free from objectionable odors, regardless of its condition; or will render cloudy water clear or sparkling.

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

IN THE MATTER OF
BOOTH FISHERIES CORPORATION

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SUBSEC. (a) OF SEC. 2 OF AN ACT OF CONGRESS APPROVED OCT. 15, 1914, AS AMENDED BY AN ACT APPROVED JUNE 19, 1936

Docket 4883. Complaint, Dec. 31, 1942—Decision, June 29, 1945

Where a corporation which was engaged in competitive interstate sale and distribution of fresh and salt water fish and sea food products, dealt chiefly, however, in frozen fish, prices of which are relatively stable as compared with those of the fresh, and maintained packing plants in various sections of the United States including those at Boston, Mass., and Portland, Oreg., and sold its products through more than fifteen distributing branches throughout the United States and Canada to wholesalers, jobbers, chain stores, and independent retailers—

Discriminated in price between different purchasers by selling products of like grade and quality to some at lower prices than it sold to other customer competitors; including, among other discriminations, sales through its Sioux Falls, Iowa branch of its frozen fish products to two operators of 28, and 105, retail outlets, respectively, and to other special volume customers, at prices per pound substantially lower than granted to others competitively engaged with said favored customers in the resale of such products, and at prices which permitted the aforesaid favored retail outlets to advertise and sell said frozen fish at less than the cost paid it for fish of like grade and quality by independent competitors; and, lacking any consistent price structure or policy, discriminated similarly and frequently in sales to many other customers;

Effect of which discriminations in price might be substantially to lessen competition in the line of commerce in which the purchaser receiving the benefit of said discriminatory price was engaged, and to injure, destroy, and prevent competition between those purchasers receiving the benefit of said discriminatory prices and those to whom they were denied:

Held, That such discriminations in price, under the circumstances set forth, constituted violations of subsection (a) of Sec. 2 of the Clayton Act, as amended by the Robinson-Patman Act.

Mr. A. H. Forkner for the Commission.

Levinson, Becker & Peebles, of Chicago, Ill., for respondent.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more particularly designated and described, since June 19, 1936, has violated and is now violating the provisions of subsection (a) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint against the said respondent, stating its charges as follows:

PARAGRAPH 1. Respondent, Booth Fisheries Corporation, is a corporation, organized and existing by virtue of the laws of the State of Delaware, with its principal office and place of business located at 309 West Jackson Boulevard, Chicago, Ill.