

IN THE MATTER OF
REDDI-SPRED CORPORATION

ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AS AMENDED

Docket 6228. Complaint, June 30, 1954—Decision, May 5, 1955

Order requiring a seller in Philadelphia, Pa., to cease using in advertising representations and suggestions that it "Reddi-spred" oleomargarine was a dairy product.

Before *Mr. Abner E. Lipscomb*, hearing examiner.

Mr. William L. Pencke for the Commission.

Duane, Morris & Heckscher, of Philadelphia, Pa., for respondent.

Mr. M. R. Garstang, of Washington, D. C., for National Milk Producers Federation, *amicus curiae*.

DECISION OF THE COMMISSION

STATEMENT OF THE CASE

The Federal Trade Commission on June 30, 1954, issued a complaint alleging that respondent, Reddi-Spred Corporation, has violated the Federal Trade Commission Act by the use of unfair and deceptive acts and practices in commerce in the sale of oleomargarine. Respondent filed an answer denying that its advertisements were in violation of law.

Pursuant to notice, hearings were held in Philadelphia, Pennsylvania, on September 3 and 22, 1954, before Abner E. Lipscomb, a hearing examiner designated by the Commission to hear this proceeding. Full opportunity to be heard, to examine and cross-examine witnesses, and to introduce evidence bearing on the issues was afforded respondent and counsel supporting the complaint. All testimony and other evidence was recorded and filed in the office of the Commission.

After receiving proposed findings of fact, the hearing examiner filed his initial decision dismissing the case for failure of proof on October 29, 1954. Thereafter, counsel supporting the complaint appealed to the Commission from this initial decision. Briefs were filed in support of and in opposition to the appeal, including a brief of the National Milk Producers Federation as *amicus curiae*, and respondent's brief in reply thereto.

Upon consideration of the entire record herein, the Commission, having determined that the hearing examiner erroneously dismissed

this complaint, reversed and set aside his initial decision and in lieu thereof makes the following:

FINDINGS OF FACT

Respondent, Reddi-Spred Corporation, is an Illinois corporation having its principal place of business at 311 Walnut Street, Philadelphia, Pennsylvania.

Respondent sells oleomargarine under the trade or brand name of Reddi-Spred to purchasers located in various States of the United States other than Pennsylvania, and during the last two years has regularly caused its product, when sold, to be transported from its place of business in Pennsylvania to its said purchasers in interstate commerce. Respondent's sales of Reddi-Spred, during the year from August, 1953, to September, 1954, totaled approximately \$70,000, of which approximately 40 percent was outside of the State of Pennsylvania.

In the course of its said business, respondent has disseminated and caused the dissemination of advertisements of Reddi-Spred by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including advertisements inserted in newspapers and television programs, for the purpose of inducing and which are likely to induce, directly or indirectly, the purchase of Reddi-Spred; and respondent has also disseminated and caused the dissemination of advertisements concerning Reddi-Spred by the same means for the purpose of inducing and which are likely to induce, directly or indirectly, the purchase of Reddi-Spred in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Respondent's advertisements, above referred to, all feature the name "Reddi-Spred" in large dark letters. All contain a large picture of a package of Reddi-Spred with that name showing on it in large dark letters and with either Oleomargarine or Margarine also on it in large, but less distinct, letters. All of the advertisements also feature the word "BUTTER" in large dark letters. Since September, 1953, all of the advertisements show that "VEGETABLE FATS" are ingredients in Reddi-Spred in letters of equal size and prominence as the word "BUTTER."

An example of one advertisement which respondent has disseminated, and intends to disseminate in the future, reads as follows:

Sorry * * *

We must call it "Margarine" (that's the law)

But this product is so wonderfully different
that it really should have a name all its own.

(Picture of a girl's face)

Order

51 F. T. C.

That's why we named it

REDDI-SPRED
Brand

(in very large black type)

A *Premium* OLEOMARGARINE

containing not only

VEGETABLE FATS

but also

REAL FRESH BUTTER

(Picture of a tub and a carton
of Reddi-Spred clearly la-
beled Oleomargarine)

(List of all ingredients in small letters)

BUTTER Makes BETTER
 It Taste

Yes, it's the BUTTER that makes it taste BETTER * * * that's why we say,
Don't Confuse "Ordinary Margarine" with REDDI-SPRED. Compare it with
any spread at any price * * * you'll agree that for taste and economy,
REDDI-SPRED is perfect for every serving and cooking need. Compare,
but don't confuse REDDI-SPRED with "ordinary margarine"!
Buy Reddi-Spred today from your super market or neighborhood grocer!

The prominent use of the word butter in respondent's advertising,
together with the representation that Reddi-Spred is some kind of a
product other than margarine because of its butter content, clearly
suggests that it is a dairy product.

CONCLUSION

The fact that respondent's advertisements label Reddi-Spred as oleo-
margarine and clearly state that it contains vegetable fats as well as
butter does not remove the suggestion that it is a dairy product. The
emphasis on the unknown percentage of butter content in Reddi-Spred
and the statement that it should have a name other than margarine
and shouldn't be confused with ordinary margarine because of its but-
ter content, represents and suggests that while it is technically oleo-
margarine it is actually a dairy product.

The Commission, therefore, concludes that respondent's acts and
practices, as hereinabove 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 Com-
mission Act.

ORDER

It is ordered, That the respondent Reddi-Spred Corporation, a cor-
poration, and its officers, agents, representatives and employees, directly
or through any corporate or other device, in connection with the offer-
ing for sale, sale or distribution of oleomargarine or margarine, do
forthwith cease and desist from, directly or indirectly,

1. Disseminating or causing to be disseminated by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, any advertisement which contains any statement, word, grade designation, design, device, symbol, sound or any combination thereof which represents or suggests that said product is a dairy product;

Provided, however, That nothing contained in this order shall prevent the use in advertisements of a truthful, accurate and full statement of all of the ingredients contained in said product, or of a truthful statement that said product contains butter or any other dairy product provided the percentage thereof contained is clearly and conspicuously set forth.

2. Disseminating or causing to be disseminated 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 said product any advertisement which contains any of the representations prohibited in paragraph one of this order.

It is further ordered, That respondent shall, within sixty (60) days after 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 the order to cease and desist.

OPINION OF THE COMMISSION

Per CURIAM:

An examination of respondent's Reddi-spread oleomargarine advertisements reveals that the word "butter" was prominently displayed throughout and in fact emphasized as the most choice and flavorful ingredient of the product.

Based on the Commission's opinions in the matters of *E. F. Drew & Company*,¹ Docket No. 6126, and *The Blanton Company*,² Docket No. 6197, entered this day, the initial decision is reversed and it is directed that an order issue accordingly.

Nothing contained in the order shall prevent the use of representations that respondent's oleomargarine contains butter or other dairy product, provided the statements are true and provided the percentage thereof contained in the product is clearly and conspicuously set forth.

¹ See p. 1056.

² In an interlocutory ruling, p. 1070, the Commission reversed a decision of the hearing examiner following the submission of the case-in-chief by the counsel supporting the complaint, granting respondent's motion to dismiss the complaint. In said opinion, the Commission noted that if all the questioned advertising had contained as full a disclosure as to the actual ingredients as some of the advertising did, such might have been sufficient to negative any suggestion that respondent's oleomargarine was a dairy product.

IN THE MATTER OF

RONALD LEVINE, ALSO KNOWN AS RONALD LORING,
ET AL., DOING BUSINESS AS STANLEY GIRL COAT CO.
AND PRINCESS NELL GIRL COAT

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND OF THE WOOL PRODUCTS LABELING
ACT

Docket 6269. Complaint, Dec. 22, 1954—Decision, May 7, 1955

Consent order requiring manufacturers in New York City to cease violating the Wool Products Labeling Act by labeling as "100% Reprocessed Wool," interlinings of girls' coats which consisted of reused wool together with substantial quantities of miscellaneous non-woolen fibers and non-fibrous materials, and by failing to disclose on the labels the name of the manufacturer.

Before *Mr. Loren H. Laughlin*, hearing examiner.

Mr. George E. Steinmetz 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 Ronald Levine, also known as Ronald Loring, and Stanley Levine, also known as Stanley Loring, each individually and as copartners, trading and doing business as Stanley Girl Coat Co. and Princess Nell Girl Coat, hereinafter referred to as respondents, have violated the provisions of said Acts; 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. Respondents Ronald Levine, also known as Ronald Loring, and Stanley Levine, also known as Stanley Loring, are individuals and copartners trading and doing business as Stanley Girl Coat Co. and Princess Nell Girl Coat. The offices and principal place of business of each of said respondents are located at 209 West 26th Street, New York 1, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January, 1953, said respondents have manufactured for introduction, introduced, sold, transported, distributed, delivered for shipment and offered for sale, in