

Complaint

52 F. T. C.

IN THE MATTER OF
ADMIRAL CORPORATION

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

Docket 6319. Complaint, Mar. 23, 1955—Decision, Dec. 3, 1955

Consent order requiring a manufacturer in Chicago to cease representing falsely by radio and television broadcasts, advertisements in magazines, newspapers, etc., and advertising material furnished to its distributors, that the screen area of its television sets which were equipped with its Giant 21" picture tube was 20% larger than that of its competitors' television sets likewise equipped.

Before *Mr. Earl J. Kolb*, hearing examiner.

Mr. Edward F. Downs for the Commission.

Pope & Ballard, of Chicago, Ill., 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 Admiral Corporation, a corporation, hereinafter referred to as respondent, has 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 respect thereof as follows:

PARAGRAPH 1. Respondent Admiral Corporation is a corporation, organized and existing under and by virtue of the laws of the State of Delaware, having its principal office and place of business at 3800 Cortland Street, Chicago, Illinois.

PAR. 2. Respondent is now and for several years last past has been, engaged, among other things, in the manufacture, distribution and sale of television sets.

Respondent causes and has caused its said television sets when sold to be transported from its place of business in the State of Illinois to purchasers thereof located in various other states of the United States and in the District of Columbia and at all times mentioned herein has maintained a course of trade in said television sets in commerce among and between the various states of the United States and in the District of Columbia. Respondent's volume of business in said television sets in such commerce is and has been substantial.

PAR. 3. In the course and conduct of its business, respondent has been and is now engaged in substantial competition with other corporations and with firms, partnerships and individuals likewise engaged in the manufacture, distribution, and sale of television sets in commerce between and among the various states of the United States, and in the District of Columbia.

PAR. 4. In the course and conduct of its business as aforesaid, and for the purpose of inducing the purchase of its television sets in commerce, as "commerce" is defined in the Federal Trade Commission Act, respondent has made and is now making certain statements and representations by radio and television commercial announcements, by advertisements in newspapers and magazines, and by circulars, pamphlets, and other advertising media. Said statements and representations are also contained in various advertising material furnished by respondent to its distributors who use it to advertise respondent's television sets. Among and typical, but not all inclusive, of such statements and representations are the following:

Admiral announces a brand new Giant 21" picture tube, accurately described as "The World's Largest" * * * with 270 square-inch screen * * * 20% bigger than other 21" TV * * *

270 square inch screen * * * 20% bigger than ordinary 21".

PAR. 5. By means of the aforesaid statements and representations and others of similar import not herein specifically set out, respondent has represented directly or by implication that the screen area of its television sets, which are equipped with its Giant 21" picture tube, is 20% larger than the screen area of its competitors' television sets which are likewise equipped with 21" picture tubes.

PAR. 6. The foregoing statements and representations are false, misleading, and deceptive. In truth and in fact the screen area of respondent's television sets, which are equipped with its Giant 21" picture tube, is not 20% larger than the screen area of respondent's competitors' television sets which are also equipped with 21" picture tubes.

PAR. 7. The use by respondent of the aforesaid false, deceptive and misleading statements and representations, has had and now has the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations are true and into the purchase of respondent's television sets in preference to the television sets sold by competitors of respondent. As a result thereof, trade has been unfairly diverted to respondent from its competitors. In consequence thereof, substantial injury has been and is being done to respondent's competitors in commerce.

PAR. 8. The aforesaid acts and practices of respondent, as herein alleged, are all to the prejudice and injury of the public and of respondent's competitors and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding, issued March 23, 1955, charges the respondent Admiral Corporation, a Delaware corporation located at 3800 Cortland Street, Chicago, Illinois, with the use of unfair and deceptive acts and practices and unfair methods of competition in commerce in violation of the provisions of the Federal Trade Commission Act, in connection with the sale and distribution of television sets.

After the issuance of said complaint and the filing of its answer thereto, the respondent entered into an agreement with counsel for complaint containing consent order to cease and desist disposing of all the issues in this proceeding, which agreement was duly approved by the Director of the Bureau of Litigation. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint.

By the terms of said agreement, the said respondent admitted all the jurisdictional allegations of the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with such allegations.

By said agreement, the answer heretofore filed by respondent was withdrawn and the parties expressly waived a hearing before the hearing examiner or the Commission, the making of findings of fact or conclusions of law by the hearing examiner or the Commission, and all further and other procedure before the hearing examiner and the Commission to which the respondent may be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission.

By said agreement, respondent further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing, presentation of evidence, and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein, that the com-

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plaint herein may be used in construing the terms of the order issued pursuant to said agreement, and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and it appearing that such agreement and order provides for appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Commission's Rules of Practice and in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent named herein, and that this proceeding is in the interest of the public, and issues the following order:

ORDER

It is ordered. That respondent, Admiral Corporation, a corporation, and its officers, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of television sets in commerce, do forthwith cease and desist from:

Misrepresenting directly or by implication the screen area of its television sets as compared with the screen area of its competitors' television sets.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 3rd day of December 1955, become the decision of the Commission; and, accordingly:

It is ordered. That the respondent herein 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.

Complaint

52 F. T. C.

IN THE MATTER OF
OKLAHOMA COLLEGE OF AUDIOMETRY ET AL.

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

Docket 6410. Complaint, Aug. 30, 1955—Decision, Dec. 7, 1955

Consent order requiring a seller in Oklahoma City, Okla., of a correspondence course in audiometry or the fitting of hearing aids, to cease representing falsely in circulars mailed to prospective students and in advertisements in magazines that the school was an accredited college, was non-profit, and gave the latest scientific methods of fitting and rehabilitating the deaf; that its president held a number of degrees pertaining to audiometry; and that students making a passing grade would receive a diploma of Doctor of Audiometry, indicated by the letters "D.A."

Before *Mr. William L. Pack*, hearing examiner.
Mr. Morton Nesmith 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 the Oklahoma College of Audiometry, a corporation, and John W. Bridges, individually and as President of said corporation, 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 Oklahoma College of Audiometry is a corporation organized, existing and doing business under and by virtue of the laws of the State of Oklahoma. Respondent John W. Bridges is the president of said corporate respondent and formulates, controls, and directs the policies and practices of said corporate respondent and is responsible for the operation and management thereof. The office and principal place of business of both respondents is located at 904 Northwest 19th Street, Oklahoma City, Oklahoma.

PAR. 2. Respondents are now, and for more than one year last past have been, engaged in the sale and distribution in commerce between and among the various States of the United States of a course of study and instruction in audiometry or the art of fitting hearing aids,