

IN THE MATTER OF
CULLIGAN, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 3
OF THE CLAYTON ACT

Docket 6673. Complaint, Oct. 31, 1956—Decision, May 23, 1957

Consent order requiring the dominant manufacturer of water-conditioning products in the United States, with general offices in Northbrook, Ill., to cease requiring its retail dealers not to handle competing products.

Mr. L. E. Creel, Jr. for the Commission.

Herman & Pollak, by *Mr. B. L. Pollak*, of Chicago, Ill., for respondent.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Clayton Act, Section 3 (15 U.S.C.A. 14), the Federal Trade Commission on October 31, 1956, issued and subsequently served its complaint in this proceeding against respondent Culligan, Inc., a corporation existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at Northbrook, Illinois.

On April 10, 1957, there was submitted to the undersigned hearing examiner an agreement between respondent and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondent admits all the jurisdictional facts alleged in the complaint and agrees that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondent waives any further procedural steps before the hearing examiner and the Commission; waives the making of findings of fact and conclusions of law; and waives all of the rights it may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the following

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Order

order to cease and desist may be entered in this proceeding by the Commission without further notice to respondent, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent Culligan, Inc., is a corporation existing and doing business under the laws of the State of Delaware, with its office and principal place of business located at Northbrook, Illinois.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

It is ordered, That respondent, Culligan, Inc., a corporation, and its officers, directors, agents, representatives, and employees, directly or through any corporate or other device, in connection with the offer for sale, sale, or distribution of equipment, products, and materials, either manufactured or sold by respondent, for use with respondent's "Culligan Plan," a plan for softening or conditioning water, or other similar or related products (hereinafter referred to collectively as "products"), in commerce, do forthwith cease and desist from:

(1) Selling, or making any contract or agreement for the sale of, any such products on the condition, agreement, or understanding that the purchaser thereof shall not use, or deal in, or sell, similar or related products supplied by any competitor or competitors of respondent.

(2) Enforcing, or continuing in operation or effect, any condition, agreement, or understanding in, or in connection with, any existing contract of sale, which condition, agreement, or understanding is to the effect that the purchaser of such products shall not use or deal in similar or related products supplied by any competitor or competitors of respondent.

Provided, however, That nothing in this order shall prohibit respondent from entering into an agreement with its dealers prohibiting them from using or selling for use, in the Culligan plan, parts, equipment or material which would adversely affect respondent's water conditioning service unit.

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 23rd day of May, 1957, 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 and manner and form in which it has complied with the order to cease and desist.

Decision

IN THE MATTER OF
LIFE-LONG BATTERY MANUFACTURING CORPORATION
ET AL.

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

Docket 6675. Complaint, Nov. 2, 1956—Decision, May 23, 1957

Consent order requiring a seller in El Segundo, Calif., of "Life-Long" batteries for use in automobiles and trucks, to cease representing falsely in advertisements in newspapers and magazines, in letters, circulars, etc., and in advertising mats furnished to dealers and distributors, that its batteries were self-charging, contained silver or nuclear cells, represented a European invention and were similar to the alkaline type batteries manufactured and sold in Europe, were guaranteed for 10 years, and that testimonials included in its advertising were unsolicited and unbiased.

Mr. George E. Steinmetz for the Commission.

Mr. Donovan W. Ballenger, of Glendale, Calif., for Life-Long Battery Manufacturing Corp.

Mr. Robert W. Cooper, of Los Angeles, Calif., for Jack Morgan Watt.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

The complaint in this matter charges the respondents with violation of the Federal Trade Commission Act through the use of certain advertisements in connection with the sale of electric storage batteries. An agreement has now been entered into by counsel supporting the complaint and respondents which provides, among other things, that respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the agreement is for settlement purposes only and does not constitute