

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 1st day of June, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondents herein shall, within sixty (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 the order to cease and desist.

IN THE MATTER OF
STANDARD BRANDS, INC., ET AL.

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

Docket 7737. Complaint, Jan. 8, 1960—Decision, June 1, 1960

Consent order requiring manufacturers of Blue Bonnet oleomargarine and their advertising agency to cease representing falsely in television broadcasts that moisture drops or "Flavor Gems"—actually magnified drops of a non-volatile liquid applied for the demonstration—on Blue Bonnet oleomargarine caused it to taste more like butter than competitive margarines.

Mr. John W. Brookfield, Jr., supporting the complaint.

Mr. H. Thomas Austern and *Mr. Henry P. Sailer* of *Covington & Burling*, of Washington, D.C., and *Mr. James E. Sapp, Jr.*, of New York, N.Y., for Standard Brands, Inc.

Mr. Joseph A. McManus, of New York and *Mr. Percy A. Shay*, of Washington, D.C., of *Coudert Brothers*, and *Mr. A. M. Frothingham*, of New York, N.Y., for Ted Bates & Company, Inc.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding alleges that Standard Brands, Inc., a corporation, and Ted Bates & Company, Inc., a corporation, hereinafter referred to as respondents, have violated the Federal Trade Commission Act by using false, misleading and deceptive statements, practices, and pictorial presentations in television commercial broadcasts advertising the product "Blue Bonnet" oleomargarine.

After issuance and service of the complaint, the above-named respondents, their attorneys, and counsel supporting the complaint entered into an agreement for a consent order. The agreement disposes of the matters complained about.

Order

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The pertinent provisions of said agreement are as follows: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; the record herein shall consist solely of the complaint and the agreement; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The undersigned hearing examiner having considered the agreement and proposed order hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent Standard Brands, Inc., is a corporation organized, 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 625 Madison Avenue, New York, New York.

2. Respondent Ted Bates & Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 666 Fifth Avenue, New York, New York.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named and the proceeding is in the public interest.

ORDER

It is ordered. That respondents Standard Brands, Inc., a corporation, and its officers, and Ted Bates & Company, Inc., a corporation, and its officers, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of "Blue Bonnet" oleomargarine or any other oleomargarine, whether offered for sale or sold under the same or any other name, in commerce, as

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"commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Using any pictorial presentation or demonstration purporting to prove, or representing in any manner, that moisture drops appearing on said oleomargarine cause such oleomargarine to taste more like butter, or to be more similar in flavor to butter, than competitive oleomargarine.

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 1st day of June, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That the respondents herein shall within sixty (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 the order to cease and desist.
