

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

Docket C-192. Complaint, July 24, 1962—Decision, July 24, 1962

Consent order requiring Omaha sellers of stainless steel cooking utensils to the public, chiefly through demonstrations by salesmen before groups of prospects, to cease representing falsely through statements by such sales persons

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and in pamphlets and brochures that cooking foods in their stainless steel utensils was more conducive to health, would retain more vitamins, minerals, and other nutrients than cooking in utensils of other materials, and would prevent disease; that cooking in utensils of other materials was injurious to health; and that soap and water was all that was required to keep their stainless steel ware sterile.

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 Western Flavor Seal Company, a corporation, and Robert T. Caldwell and Jeannette Caldwell, individually and as officers 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 Western Flavor Seal Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its principal office and place of business located at 2002 Burt Street, Omaha, Nebr.

Respondents Robert T. Caldwell and Jeannette Caldwell are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been engaged in the advertising, offering for sale, sale and distribution of stainless steel cooking utensils to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business located in the State of Nebraska to purchasers thereof located in various other states of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the sale of their stainless steel cooking utensils, respondents have made certain statements in pamphlets and brochures, of which the following are typical but not all inclusive:

Thus, stainless steel assured better, purer, more palatable foods * * * that retain their original color, flavor, and vitamin content * * *.

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* * * It presents a smooth, lustrous surface with no joints, seams, or "pores" in which bacteria might lodge; soap and water is all that is required to keep it sterile.

Medical and nutritional authorities are convinced that faulty nutritional practices are the most common cause of constipation.

He who has the benefit of a well balanced, nutritional diet, complete with those vitamins and minerals, so important to good health, has eliminated one of the principal causes of low body resistance to infection and disease.

Prior to buying this set I was constantly troubled with acid indigestion, had very little appetite, and could only eat certain foods. After cooking with Flavor Seal I look forward to each meal with great pleasure, my indigestion is gone, and I can eat any foods I desire.

* * * and Flavor Seal to anyone interested in their health and in learning the modern healthful way to prepare food.

Thus, stainless steel assured better, purer, more palatable foods * * * that retain their original color, flavor and vitamin content * * *.

Easy to keep clean and sanitary * * * soap and water is all that is required to keep it sterile.

PAR. 5. Through the use of said statements and representations, and others similar thereto but not specifically set out herein, respondents have represented, and are now representing, directly or by implication, that:

1. The use of respondents' stainless steel cooking utensils is more conducive to health than the use of cooking utensils manufactured from materials other than stainless steel.

2. The use of cooking utensils manufactured from materials other than stainless steel is injurious to health.

3. Food cooked in respondents' stainless steel cooking utensils retains more vitamins, minerals or other nutrients than food cooked by the same method in cooking utensils manufactured from materials other than stainless steel.

4. The use of respondents' stainless steel cooking utensils will prevent disease.

5. Respondents' stainless steel cooking utensils can be rendered sterile merely by the application of soap and water.

PAR. 6. In truth and in fact:

1. The use of stainless steel cooking utensils is not more conducive to health than the use of utensils manufactured from other materials.

2. The use of cooking utensils manufactured from materials other than stainless steel is not injurious to health.

3. Food cooked in respondents' stainless steel utensils does not retain more vitamins, minerals or other nutrients than food cooked by the same method in utensils manufactured from materials other than stainless steel. The amount of water used and not the nature of the utensil used is determinative of the vitamin, mineral or nutrient loss.

4. The use of stainless steel utensils will not prevent disease.

5. The utensils cannot be rendered sterile merely by the application of soap and water.

Therefore, the statements and representations referred to in paragraphs 4 and 5 are false, misleading and deceptive.

PAR. 7. The advertising and sale of respondents' stainless steel cooking utensils are conducted through the medium of salesmen by personal solicitation and contact with the general public. The method chiefly employed by said salesmen is the giving of demonstrations of the respondents' products before groups of prospective purchasers, at which time the advertising media described in paragraph 4, which have been supplied by respondents, are exhibited or distributed, accompanied by sales talks. Said sales talks and demonstrations have to do with the alleged characteristics and effectiveness of respondents' products in the preparation of food and the alleged disadvantages of the products of respondents' competitors, particularly such products made of aluminum and enamelware. The statements made by such salesmen have the express or implied approval of the respondents, and the sales made in the course of and as a result of said demonstrations and sales talks inure to the benefit of respondents.

PAR. 8. At the demonstrations hereinabove referred to, respondents, through said salesmen, have made disparaging statements and representations with respect to utensils sold and distributed in commerce by their competitors for the purpose of inducing the purchase of respondents' stainless steel cooking utensils in commerce.

Such disparaging statements and representations and the impressions created by them were, and are, to the effect that the preparation of, and the cooking or keeping of food in aluminum utensils cause the formation of serious and dangerous poisons; that food prepared, cooked or kept in aluminum utensils is detrimental to the health of the user because of a loss of vitamins, minerals or other nutrients; that potatoes cooked in respondents' stainless steel cooking utensils are non-fattening; and that eating food cooked in aluminum may result in intestinal disturbances and infections.

PAR. 9. Cooking utensils made of aluminum have been manufactured for many years and during that period of time have been found to be highly satisfactory for cooking use. No poisons are formed from the preparation of, or the cooking or keeping of food in aluminum utensils; foods prepared, cooked or kept in aluminum utensils are not detrimental or hazardous to the health of the user; persons eating food prepared, cooked or kept in aluminum utensils do not, because of that fact, run the risk of intestinal diseases or infection; and pota-

atoes or any other food cooked in stainless steel utensils is not less fattening than potatoes or any other food cooked in utensils manufactured from other materials.

PAR. 10. The use by respondents and their salesmen of the above mentioned false, misleading, deceptive and disparaging statements, disseminated as aforesaid, has had, and now has, the tendency and capacity to mislead and deceive a substantial number of the purchasing public into the erroneous and mistaken belief that all of said statements and representations are true, and to induce a substantial number of the purchasing public, because of such erroneous and mistaken belief, to purchase substantial quantities of respondents' stainless steel cooking utensils. By respondents' indulgence in these practices, substantial injury has been, and is being, done to respondents' competitors, in commerce between and among the various states of the United States.

PAR. 11. The acts and practices of respondents, as herein alleged, are all to the injury of the public and of respondent's competitors, and constitute unfair and deceptive acts and practices and unfair methods of competition in violation of Section 5(a)(1) of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent, Western Flavor Seal Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Nebraska, with its office and principal place of

business located at 2002 Burt Street in the city of Omaha, State of Nebraska.

Respondents Robert T. Caldwell and Jeannette Caldwell are officers of said corporation and their address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That the respondents Western Flavor Seal Company, a corporation, and its officers, and Robert T. Caldwell and Jeannette Caldwell, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of cooking utensils made of stainless steel or of any other product of substantially similar composition, design, construction or purpose, do forthwith cease and desist from representing, directly or by implication, that:

1. The use of respondents' stainless steel cooking utensils is more conducive to health than the use of cooking utensils manufactured from materials other than stainless steel.

2. The use of cooking utensils manufactured from materials other than stainless steel is injurious to health.

3. Food cooked in respondents' stainless steel cooking utensils retains more vitamins, minerals or other nutrients than food cooked by the same method in cooking utensils manufactured from materials other than stainless steel.

4. The use of respondents' stainless steel cooking utensils will prevent disease or illness.

5. Respondents' stainless steel cooking ware can be rendered sterile merely by the application of soap and water.

6. Potatoes or any other foods cooked in respondents' stainless steel utensils are less fattening than potatoes or any other foods cooked in utensils manufactured from materials other than stainless steel.

It is further 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 this order.

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IN THE MATTER OF

GREATER PREMIUM FOOD CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-193. Complaint, July 24, 1962—Decision, July 24, 1962*

Consent order requiring Philadelphia sellers of freezers, food, and freezer food plans to cease making a variety of misrepresentations to sell their products, in newspaper advertising, circulars, etc., as in the order below specified.

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 Greater Premium Food Co., Inc., a corporation, and Irving Canter and Abraham E. Ludwig, individually and as officers 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 Greater Premium Food Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of Pennsylvania with its principal office and place of business located at 4563 Torresdale Avenue, Philadelphia, Pa.

Respondents Irving Canter and Abraham E. Ludwig are officers of the corporate respondent. They formulate, direct and control the acts and practices of corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of freezers, food and freezer food plans under the aforesaid corporate name and under the following fictitious names:

Home Super Market Grocery Company
Blue Ribbon Food Service, Inc.
Nation Wide Food Services

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, freezers and food, when sold, to be shipped from their place of business in the State of Pennsylvania to purchasers thereof located in various other states of the United States, and maintain, and at all times mentioned herein have