

Complaint

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Regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

It is further ordered, That each of 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.

IN THE MATTER OF

HOOVER BALL AND BEARING COMPANY

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

Docket C-513. Complaint, June 21, 1963—Decision, June 21, 1963

Consent order requiring an Ann Arbor, Mich., importer of metal bearings from Japan, to cease selling said products to manufacturers of original equipment and to distributors for resale with the words "Made in U.S.A." and "Hoover Ball and Bearing Company, Ann Arbor, Michigan", conspicuously printed on the wrappings, and with markings indicating Japanese origin so placed on certain products as not to constitute adequate notice to the public of foreign source.

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 Hoover Ball And Bearing Company, a corporation, hereinafter referred to as the respondent, has violated 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 Hoover Ball and Bearing Company is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Michigan, with its principal office and place of business located at 5400 South State Road in the city of Ann Arbor, State of Michigan. Respondent also maintains a warehouse for the storage and distribution of its products in Hackensack, New Jersey.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the importation, advertising, offering for sale, sale and distribution of metal bearings to manufacturers of original equipment and to distributors for resale to the public.

PAR. 3. In the course and conduct of its business, respondent now causes, and for some time last past has caused, its said products, when

sold, to be shipped from its places of business in the States of Michigan and New Jersey to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Certain of said products offered for sale and sold by respondent were and are manufactured in and imported from Japan. When delivered to respondent's customers for use or sale, some of said products are enclosed in a shield which is visibly and conspicuously stamped and inscribed with the words, "Made in U.S.A.", and are individually wrapped in cardboard boxes upon which the words, "Hoover Ball and Bearing Company, Ann Arbor, Michigan", are printed, thereby affirmatively representing that said products are of domestic origin. Such representations are false, misleading and deceptive, as some of said products are manufactured in and imported from Japan.

PAR. 5. Although certain of respondent's said products bear markings indicating manufacture in Japan, the markings are positioned so they do not constitute adequate notice to the public that said bearings are made in Japan. In addition, said markings are further obscured and concealed when assembled and packaged in the manner described in Paragraph 4 above.

PAR. 6. In the absence of an adequate disclosure that a product, including metal bearings, is of foreign origin, or where packaged in the manner set out in Paragraph 4, the public believes and understands that it is of domestic origin, a fact of which the Commission takes official notice.

As to the aforesaid articles of merchandise, a substantial portion of the purchasing public has a preference for said articles which are of domestic origin, of which fact the Commission also takes official notice. Respondent's failure clearly and conspicuously to disclose the country of origin of said articles of merchandise is therefore, to the prejudice of the purchasing public.

PAR. 7. By the aforesaid practices, respondent places in the hands of distributors means and instrumentalities by and through which they may mislead the public as to the country of origin of said bearings.

PAR. 8. In the conduct of its business at all times mentioned herein, respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as that sold by respondent.

PAR. 9. The use by the respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the

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purchasing public into the erroneous and mistaken belief that said products are of domestic origin and into the purchase of substantial quantities of respondent's product by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of the respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent 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 respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent 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 respondent 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, Hoover Ball and Bearing Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, with its office and principal place of business located at 5400 South State Road, in the City of Ann Arbor, State of Michigan.

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

ORDER

It is ordered, That respondent Hoover Ball and Bearing Company, a corporation, and its officers and respondent's agents, representatives and employees, directly or through any corporate or other device, in

connection with the offering for sale, sale or distribution of bearings or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing any product which is in whole or in part of foreign origin, without clearly and conspicuously disclosing on such product and, if such product is enclosed in a package or container, on the front panel of the package or container, in such a manner that it will not be hidden or readily obliterated, the country of origin of the product or parts thereof; provided, however, that with respect to any product which is of such diminutive size or has a function of such nature that making the required disclosure on the product would result in lettering so small as to be illegible or would destroy said product's utility or purpose, no disclosure of foreign origin shall be required on said product if said product is enclosed in a package or container, by unit or in bulk, and the country of origin of said product is clearly and conspicuously disclosed on the front panel of the package or container in which said product is sold.

2. Representing, directly or indirectly, in any manner or by any means, that its products are of domestic origin when said products are of foreign origin.

3. Placing in the hands of jobbers, retailers, dealers, and others, means and instrumentalities by and through which they may deceive and mislead the purchasing public concerning any merchandise in respect to the origin of respondent's merchandise.

The words "front panel of the package or container," as used above, shall be deemed to mean every panel on which appears the size and serial number of the enclosed product.

It is further 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 this order.

IN THE MATTER OF

INTERSTATE ENGINEERING CORPORATION ET AL.

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