

Complaint

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## IN THE MATTER OF

SIEGFRIED SONNEBERG ET AL. DOING BUSINESS AS  
THE SONNEBERG COMPANYCONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket C-537. Complaint, Aug. 2, 1963—Decision, Aug. 2, 1963*

Consent order requiring New York City importers and distributors of automotive parts which they sold primarily to manufacturers and wholesalers, to cease selling synchronizer blocking rings manufactured in Italy with no markings indicating their foreign origin, and selling synchronizer assemblies comprised of said Italian parts along with other parts of domestic manufacture without disclosing the foreign origin of substantial parts thereof and with the words "Made in U.S.A." imprinted on the containers.

## 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 Siegfried Sonneberg, Manfred Sonneberg and Henni Sonneberg, individually and as copartners doing business as The Sonneberg Company, 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. Respondents, Siegfried Sonneberg, Manfred Sonneberg and Henni Sonneberg, are individuals and copartners doing business as The Sonneberg Company, with their office and principal place of business located at 418 West 25th Street in the city of New York, State of New York.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the importation, offering for sale, sale and distribution of automotive parts, including synchronizer blocking rings and synchronizer assemblies, primarily to manufacturers and to wholesalers who, in turn, resell to retailers, for resale 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 in the State of New York 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 com-

merce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Certain of the synchronizer blocking rings offered for sale, sold and distributed by respondents are manufactured in and imported from Italy. Respondents' said foreign synchronizer blocking rings bear no markings indicating their manufacture in and importation from Italy. Upon importation, no additional work is performed on said synchronizer blocking rings, and a substantial percentage of the synchronizer blocking rings of foreign origin are sold and distributed in the same physical state as they were upon importation. The sale of said synchronizer blocking rings of foreign origin, without any disclosure thereon of their foreign origin, is false, misleading, and deceptive.

Other synchronizer blocking rings of foreign origin are assembled and packaged in a unit called a synchronizer assembly containing other parts manufactured in the United States. These synchronizer assemblies are not marked in any manner to disclose the foreign origin of the synchronizer blocking rings contained in said assemblies and which comprise a substantial part of said assemblies. The sale of said synchronizer assemblies without any disclosure of the foreign origin of substantial parts thereof is false, misleading and deceptive.

PAR. 5. Respondents' said synchronizer assemblies are packaged in boxes containing thereon the words "Made in U.S.A.", without any disclosure that the synchronizer blocking rings contained in said assemblies are of foreign origin. The words "Made in U.S.A." imprinted on said boxes constitute an affirmative representation that the assemblies contained in said boxes are wholly of domestic origin. Such representation is false, misleading and deceptive as said assemblies contain substantial parts of foreign origin.

PAR. 6. In the absence of clear and conspicuous disclosure that a product, including synchronizer blocking rings and synchronizer assemblies, is of foreign origin, 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. Respondents' 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, respondents place in the hands of manufacturers, wholesalers and distributors, means and instru-

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mentalities by and through which they may mislead the public as to the country of origin of said products.

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

PAR. 9. The use by the respondents 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 purchasing public into the erroneous and mistaken belief that said products are of domestic origin and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, were and are to the prejudice and injury of the public and of respondents' 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 Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; 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 aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Siegfried Sonneberg, Manfred Sonneberg, and Henni Sonneberg, are individuals and copartners doing business as The Sonneberg Company, with their office and principal place of business located at 418 West 25th Street, New York, New York.

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, Siegfried Sonneberg, Manfred Sonneberg and Henni Sonneberg, individually and as copartners doing business as The Sonneberg Company, or under any other name or names, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of automotive parts, including synchronizer blocking rings, synchronizer assemblies, or any 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 which contains a substantial part or parts, of foreign origin or fabrication without affirmatively disclosing the country or place of foreign origin or fabrication thereof on the products themselves, by marking or stamping on any exposed surface or on a label or tag affixed thereto, of such degree of permanency as to remain thereon until consummation of consumer sale of the product, and of such conspicuousness as to be likely observed and read by purchasers and prospective purchasers making casual inspection of the product.

2. Offering for sale, selling or distributing any such product marked in the manner set out above and enclosed in a package or container, without disclosing the country or place of foreign origin of the product, or substantial part or parts thereof, on the front or face of said package or container, so positioned as to clearly have application to the product so packaged, and of such degree of permanency as to remain thereon until consummation of the consumer sale of the product, and of such conspicuousness as to be likely observed and read by purchasers and prospective purchasers making casual inspection of the product so packaged.

3. Representing, directly or indirectly, in any manner or by any means, that their products are of domestic origin when said products are in whole or contain a substantial part of which is, of foreign origin.

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4. 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