

Complaint

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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.

IN THE MATTER OF

UNITED NATIONS PUBLICATIONS, INC., ET AL.

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

Docket C-598. Complaint, Sept. 20, 1963—Decision, Sept. 20, 1963

Consent order requiring the compilers of a book entitled "The International Directory and Almanac," engaged in the sale of the Directory and of advertising space therein, to cease representing falsely in advertising that monies received from customers were placed in trust and refunds were thereby guaranteed, and that they had their own art department; and to cease representing falsely, by their corporate name, that they were affiliated with the United Nations.

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 United Nations Publications, Inc., a corporation, and Fred Otash, individually and as an officer 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 United Nations Publications, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 949 N. Fairfax Avenue, Hollywood 49, California.

Respondent Fred Otash is president of the said corporate respondent and formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. The business address of respondent Fred Otash is the same as that of the corporate respondent. His residence address is 8948 Wonderland Avenue, Hollywood 46, California.

PAR. 2. Respondents are now, and for some time last past have been engaged, in the compilation, advertising, offering for sale, sale and distribution of a book entitled "The International Directory and Almanac", hereinafter referred to as the Directory.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said Directory, when sold, to be shipped from their place of business in California 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 Directory in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Further, in the course and conduct of their business, respondents now cause, and for some time last past have caused, the dissemination of advertising material by United States Mails in the State of California and from that State into other States of the United States for the purpose of inducing, and which is likely to induce, directly or indirectly, the purchase of said Directory and of advertising space in said Directory in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with other corporations, firms and individuals engaged in the business of publishing and selling directories.

PAR. 5. In the course and conduct of their business, and for the purpose of inducing the sale of said Directory and of advertising space in said Directory, respondents have made certain statements and representations in advertising disseminated as hereinabove set forth. Such statements and representations related to the establishment of a trust account and other matters. Typical, but not all inclusive, of such statements and representations are the following:

Publication Guaranteed or Money Refunded.

All funds received by the publisher for copies of the directory or advertisements, are placed in trust at Continental Bank, 8730 Sunset Blvd., Los Angeles 69, California. If the directory is not published for any reason, your money is refunded in full. And, if you are not completely satisfied with the directory, return it within 10 days and your money will be refunded in full.

Our art department will design your ad for you * * *.

PAR. 6. Through the use of the aforesaid statements and representations, respondents have represented, directly or by implication:

1. That respondent corporation has its own art department for designing advertisements.
2. That monies received by respondents from their customers are placed in a trust account which insures or guarantees the availability at all times of funds sufficient to meet all requests for refunds.

PAR. 7. In truth and in fact:

1. Respondent corporation does not have its own art department.

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2. No trust account has been established which insures or guarantees refunds to respondents' customers.

Therefore, said statements and representations set forth in Paragraphs 5 and 6 are false, misleading and deceptive.

PAR. 8. Further, in the course and conduct of their business, respondents have caused the corporate name "United Nations Publications, Inc.", to appear on their business stationery, in their advertising brochures and other printed matter.

Through use of the words "United Nations" as part of said corporate name, respondents represent, directly or by implication, that their business is affiliated with or sponsored by the well known world organization known as the United Nations.

PAR. 9. In truth and in fact, respondents' business is no way a part of, affiliated with or sponsored by the United Nations.

Therefore, the representation referred to in Paragraph 8 is false, misleading and deceptive.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements and representations has had, and now has, the capacity and tendency to mislead members of the public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of the said Directory and of advertising space therein by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all 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, within the intent and meaning of Section 5 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 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, United Nations Publications, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 949 N. Fairfax Avenue, in the city of Hollywood, State of California.

Respondent Fred Otash is an officer of said corporation, and his 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 respondent United Nations Publications, Inc., a corporation, and its officers, and respondent Fred Otash, individually and as an officer of said corporation, and said respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of The International Directory and Almanac or any other book or publication, or of advertising space therein, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that respondents have an art department or maintain their own staff for doing design and art work for advertisements intended for publication in their directory, or misrepresenting in any manner the facilities afforded by respondents' business.

2. Representing, directly or by implication, that monies received by respondents from their customers are placed in a trust account which insures or guarantees the availability at all times of funds sufficient to meet all requests for refunds.

3. Using the words "United Nations" or any other word or words of similar import as part of any corporate or trade name; or representing in any other manner that respondents' business is in any way affiliated with or sponsored by the United Nations.

4. Representing in any manner that their business is affiliated with any organization with which it is in fact not affiliated.

It is further ordered. That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the

