

It is further ordered, That respondents Stalco Products Corporation, a corporation, and James B. Tompkins, William Houle, and Donald R. Tugwell 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 set forth in the initial decision.

IN THE MATTER OF
CARTER PRODUCTS, INC., ET AL.

MODIFIED ORDER IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION ACT

Docket 7943. Modified order, Dec. 6, 1963

Order modifying, in accordance with the opinion of the Court of Appeals, Fifth Circuit, of Sept. 27, 1963, 323 F. 2d 523, 7 S.&D. 794, the Commission's original desist order in this proceeding dated April 25, 1962, 60 F.T.C. 782, requiring the manufacturer of "Rise" shaving cream and its advertising agency to cease disparaging competing shaving creams and misrepresenting the superiority of their shaving cream by misleading and inaccurate comparisons on television.

MODIFIED ORDER

The United States Court of Appeals for the Fifth Circuit having, on September 27, 1963, issued its opinion and judgment setting aside

Order

63 F.T.C.

the Commission's order to cease and desist issued in this matter on April 25, 1962, and having remanded the case to the Commission for modification of its said order in accordance with the opinion of the Court:

It is ordered, That the Commission's said order to cease and desist be, and it hereby is, modified to read as follows:

It is ordered, That respondents Carter Products, Inc., a corporation and Sullivan, Stauffer, Colwell & Bayles, Inc., a corporation, their officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of shaving cream or any other merchandise manufactured or sold by respondent Carter Products, Inc., in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(a) Disparaging the quality or properties of any competing product or products, through the use of false or misleading pictures, depictions or demonstrations either alone or accompanied by oral or written statements.

(b) Representing directly or by implication that pictures, depictions or demonstrations either alone or accompanied by oral or written statements, accurately portray or depict the superiority of any product over competing products when such a portrayal or depiction is not an accurate comparison of such product with competing products.

And further, in the advertising, offering for sale, sale, or distribution of "Rise" shaving cream, or any other shaving cream manufactured or sold by respondent Carter Products, Inc., in commerce, as "commerce" is defined in the Federal Trade Commission Act, from misrepresenting the moisture retaining properties of competing shaving creams or otherwise falsely disparaging the quality or merits of competing shaving creams.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to respondent S. Heagan Bayles in his individual capacity.

It is further ordered, That respondents, Carter Products, Inc., and Sullivan, Stauffer, Colwell & Bayles, Inc., 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.

Complaint

IN THE MATTER OF

THE READER'S DIGEST ASSOCIATION, INC.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-626. Complaint, Dec. 10, 1963—Decision, Dec. 10, 1963*

Consent order requiring publishers of magazines, books, phonograph records, etc., with main office at Pleasantville, N.Y., to cease representing falsely in advertising that their "BEST SELLERS" volume could be obtained "free", "absolutely free", or as a "paid in full gift", etc., when a binding obligation was incurred by persons accepting the book; that their Reader's Digest magazine sold regularly at \$4.00 but that because of their profit sharing policy subscribers were entitled to a *greatly reduced price* of only \$2.97, and that a subscriber was obligated to continue his subscription and to pay the latter price unless he took affirmative action of cancelling his subscription; and representing falsely on the letterhead of "The Mail Order Credit Reporting Association, Inc." that delinquent accounts had been turned over to an independent collection agency with instructions to take all necessary legal steps to collect amounts due, when the purported collection agency was only a mailing address utilized by respondent.

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 The Reader's Digest Association, Inc, a corporation, hereinafter referred to as respondent, has 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 The Reader's Digest Association, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at Pleasantville, in the State of New York.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the publishing, advertising, offering for sale, sale and distribution of magazines, books, phonograph records and other articles of merchandise 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 place of business in the State of New York and from various other sources of supply in the States of Massachusetts and Indiana to purchasers thereof located in various other