

Complaint

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IN THE MATTER OF

## STATE BLIND SALES, INC., ET AL.

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

*Docket C-635. Complaint, Dec. 24, 1963—Decision, Dec. 24, 1963*

Consent order requiring Detroit, Mich., sellers of rugs, brooms, mops and other household articles direct to the public and to distributors for resale, to cease representing falsely in advertisements in magazines, hand circulars, telephone solicitations, radio broadcasts and by other means, that their commercial businesses operated for their own profit were charitable enterprises operated for the benefit of blind and handicapped persons, that only blind and handicapped persons were employed, and that such persons produced or packaged all their products and benefited from the sale thereof.

## 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 State Blind Sales, Inc., a corporation, and Norman W. Henson, individually and as an officer of said corporation, and Philip K. Dauvin, an individual trading and doing business as State Blind Sales, 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 State Blind Sales, Inc., 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 2972 East Seven Mile Road in the City of Detroit, State of Michigan.

Respondent Norman W. Henson is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of corporate respondent.

Respondent Philip K. Dauvin, is an individual trading and doing business as State Blind Sales. He is an agent of the corporate respondent and licensed to use the name of State Blind Sales by the corporate respondent. His office and principal place of business

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is located at 2108 Mount Vernon Avenue in the City of Alexandria, State of Virginia.

The aforesaid respondents cooperate and act together in carrying out the acts and practices hereinafter set forth.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of rugs, brooms, mops, and other miscellaneous household articles directly to the public and to distributors or jobbers 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 places of business in the States of Michigan and Virginia 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 businesses, and for the purpose of inducing the purchase of their products, respondents and their agents and representatives have made certain statements and representations with respect thereto in advertisements inserted in magazines, hand circulars, telephone solicitations, radio advertisements, and through other advertising media, of which the following are typical:

State Blind Sales ----- Lic. No. 232 (picture of a man being led by a seeing-eye dog).

Help Light The Way.

Your Purchase is Appreciated (picture of a blind man being led by a seeing-eye dog).

State Blind Sales.

I am calling ----- to take orders for household articles that blind people make, package or process.

Patronize your blind salesman.

Patronize your blind representative.

This is a message from State Blind Sales, a national sales organization dedicated to the employment of blind and handicapped ----- "Help Light The Way For Others" is State Blind Sales' slogan. You too, can help light the way for others by placing an order with the State Blind Sales Representative who contacts you ----- At State Blind Sales, the blind and the handicapped work to supply you with quality merchandise. Your patronage is essential to carry on this vital program. (Radio Commercial).

PAR. 5. By and through the use of the aforementioned statements and representations, including respondents' use of the word "blind" in

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their corporate and trade names, and others of similar import and meaning not specifically set out herein, respondents have represented, directly or by implication, that:

1. Charitable or eleemosynary enterprises for the benefit of blind and handicapped persons are being conducted.
2. All products produced, processed or packaged by the respondents are produced, processed or packaged by blind and handicapped persons.
3. Profits from the sale of products are used for the benefit of blind and handicapped persons.
4. Only blind and handicapped persons are employed by the respondents.

PAR. 6. In truth and in fact:

1. Respondents' businesses are not charitable or eleemosynary enterprises operated for the benefit of the blind or the handicapped but are commercial enterprises operated for the benefit of the respondents.
2. Many products produced, processed or packaged by the respondents are not produced, packaged or processed by blind or handicapped persons.
3. Profits from the sale of respondents' products are not used for the benefit of the blind or handicapped.
4. Respondents have employees who are not blind or handicapped.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were and are false, misleading and deceptive.

PAR. 7. By the aforesaid practices, respondents place in the hands of jobbers, retailers, and salesmen, means and instrumentalities by and through which they may mislead the public into the mistaken belief that the purchase of respondents' products will inure to the benefit of blind or handicapped persons.

PAR. 8. In the conduct of their businesses, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of rugs, brooms, mops, and other miscellaneous household articles of the same general kind and nature as that sold by respondents.

PAR. 9. The use by 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 statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

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## Decision and Order

PAR. 10. 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, 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 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 State Blind Sales, Inc., 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 2972 East Seven Mile Road, in the city of Detroit, State of Michigan.

Respondent Norman W. Henson is an officer of said corporation, and his address is the same as that of said corporation.

Respondent Philip K. Dauvin, is an individual trading and doing business as State Blind Sales. He is an agent of the corporate respondent and licensed to use the name of State Blind Sales by the corporate respondent. His office and principal place of business is located at 2108 Mount Vernon Avenue in the city of Alexandria, State of Virginia.

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 respondents State Blind Sales, Inc., a corporation, and its officers, and Norman W. Henson, individually and as an officer of said corporation, and Philip K. Dauvin, individually and trading and doing business as State Blind Sales, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of rugs, brooms, mops, or other miscellaneous household articles, or other products, 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:
  - a. A charitable or eleemosynary enterprise is being conducted for the benefit of the blind or the handicapped.
  - b. Any product which is not produced, processed or packaged by a blind or handicapped person is produced, processed or packaged by a blind or handicapped person.
  - c. The profits from the sale of merchandise are used for the benefit of the blind or the handicapped.
  - d. Only blind or handicapped persons are employed; or that blind or handicapped persons are employed, unless it is clearly and conspicuously disclosed in immediate connection and conjunction therewith the percentage of such blind or handicapped persons so employed.
2. Using the word "blind" or any other word or words of similar import or meaning in a corporate or trade name or in any other manner, to designate or describe merchandise, unless in immediate connection and conjunction therewith a clear and conspicuous disclosure is made that a substantial percentage of merchandise sold or distributed by the respondents is produced, processed or packaged by other than blind persons.
3. Placing in the hands of jobbers, retailers, salesmen and others, the means and instrumentalities by and through which they may mislead and deceive the purchasing public concerning merchandise in the respects set out above.

*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

## THE QUAKER OATS COMPANY

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

*Docket 8160. Complaint, Nov. 4, 1960—Decision, Dec. 26, 1963*

Order vacating initial decision and dismissing complaint charging a manufacturer of briquets produced basically from corncobs to be used for cooking, with representing falsely—through use of the word “charcoal” and “Real Hickory Flavor” to describe its product—that the briquets were made of wood.

## 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 Quaker Oats Company, 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 Quaker Oats Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Its office and principal place of business is located at Merchandise Mart Plaza, Chicago 54, Illinois.

PAR. 2. Respondent is now, and for some time last past has been, engaged in manufacturing, offering for sale, sale and distribution, among other products, of briquets produced basically from corncobs, to be used for cooking purposes.

Respondent causes said product to be transported from its place of business in the State of Illinois 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 product in commerce, as “commerce” is defined in the Federal Trade Commission Act.

PAR. 3. In the course and conduct of its business, respondent is in competition, in commerce, with corporations, firms and individuals engaged in the sale and distribution of briquets made from wood and other products.

PAR. 4. In the course and conduct of its business, and for the purpose of inducing the sale of its said product, the respondent has