

BALI BRASSIERE COMPANY, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATIONS OF SEC.
2(d) AND (e) OF THE CLAYTON ACT

Docket C-705. Complaint, Feb. 7, 1964—Decision, Feb. 7, 1964

Consent order requiring New York City manufacturers of women's brassieres
to cease violating Secs. 2(d) and 2(e) of the Clayton Act by such prac-

tices as granting some customers promotional advertising allowances in accordance with the terms of their "Cooperative Advertising Agreement"—and in many instances departing from the plan—while not offering comparable allowances to competitors of those so favored; and furnishing to some purchasers the services of special "stylists" to demonstrate their products to customers, but not offering such services to other retailers on proportionally equal terms.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof, and hereinafter more particularly designated and described, have violated and are now violating the provisions of subsections (d) and (e) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

COUNT I

PARAGRAPH 1. Respondent Bali Brassiere Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 393 Fifth Avenue, New York, New York.

Respondent Myron Stein, an individual, is president and treasurer of the above corporation, and respondent Sam Stein, an individual, is Chairman of the Board and Secretary of the same corporation. These individuals formulate, direct and control the policies, acts and practices of the above named corporate respondent.

PAR 2. Respondents are now, and for many years past have been, engaged in the manufacture, sale and distribution of women's brasieres, with an annual gross volume in excess of \$2 million. Respondents have factories located in Long Island City, New York, Johnstown, Pennsylvania, and Puerto Rico. Respondents ship all merchandise from their factories to Long Island City, where the merchandise is completed and boxed. This merchandise is then shipped to warehouses located in Long Island City and Los Angeles from which deliveries are made to many customers located in various cities throughout the United States. The respondents sell these products for resale at retail to many customers, such as department stores, women's specialty shops and dress shops, with places of business located in various cities throughout the United States.

PAR. 3. In the course and conduct of their business, respondents engaged in commerce, as "commerce" is defined in the Clayton Act,

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as amended, having shipped their products or caused them to be transported from their principal places of business in the States of New York and Pennsylvania to customers located in the same and in other States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of their business in commerce, respondents paid or contracted for the payment of something of value to or for the benefit of some of their customers as compensation or in consideration for services or facilities furnished by or through such customers in connection with their offering for sale or sale of products sold to them by said respondents, and such payments, sometimes hereinafter referred to as promotional allowances, were not available on proportionally equal terms to all other customers competing in the distribution of their products.

PAR. 5. Thus, in 1959 and for some time prior thereto respondents annually formulated a cooperative advertising plan which they presented to their customers in the form of a "Cooperative Advertising Agreement." The specific agreement, effective September 1, 1959, provided as follows:

Bali will participate in the cost of your local newspaper advertising on the following conditions:

1. We will pay 50% of your cost for newspaper space devoted exclusively to Bali merchandise. We will not pay separate production charges.
2. Our share of the cost of your advertising is not to exceed 5% of the net sum of your shipments for the current calendar year.
3. The familiar *Bali* logotype must be used prominently in a size larger than any other type in the ad excepting the store name.
4. Any trademarked name used in an ad such as Water Bali, Inside Curve, Bali-Hi, Bali-"Lo", Sky Bali, Flower Bali, etc. must be so designated by the use of the symbol R in a circle * * * [the symbol R in a circle]
5. Bali ads must be illustrated and separated from all other items advertised on the page. We will not pay for so-called "Omnibus Ads" featuring competitive merchandise.
6. This agreement is limited to advertisements in regularly published daily and Sunday newspapers with paid circulation.
7. Your invoice and tearsheets must be furnished to us no later than 30 days from the date of the ad. Prompt payment by check will be made upon receipt of your invoice and tearsheets. Do not deduct advertising claims from your payments for merchandise.
8. In order to expedite your claims please send your invoices and tearsheets to:

Advertising Checking Bureau, Inc.
Bali Brassiere Company, Inc.
G.P.O. Box No. 1036
New York 1, New York

We reserve the right to reject charges which we consider excessive and unreasonable and to terminate this plan at any time.

Respondents granted some customers promotional advertising allowances in accordance with the terms of their Cooperative Advertising Agreement, but failed to grant, offer or otherwise make available allowances on proportionally equal terms to all customers competing with the favored customers in the sale and distribution of their products.

Furthermore, respondents departed from the plan and agreement in many instances. For example, they allowed some customers promotional allowances for advertising in weekly newspapers while they denied other competing customers allowances for the same type of advertising; and while the payment of advertising allowances to some customers was made in accordance with the terms of the agreement, other competing customers were provided allowances above and beyond those provided for in the agreement.

PAR. 6. The acts and practices of the respondents as alleged above violate subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Sec. 13).

COUNT II

PAR. 7. Paragraphs One through Three of Count I are hereby adopted and made a part of this Count as fully as if herein set out verbatim.

PAR. 8. In the course and conduct of their business in commerce, respondents, prior to and specifically since 1959, have sold their products to various purchasers, as described in Paragraph Two of Count I, who were and are engaged in the resale of respondents' products at retail to the purchasing public.

PAR. 9. The respondents have contracted to furnish and have furnished to some of the aforesaid purchasers certain services or facilities in connection with the sale or offering for sale of respondents' products upon terms which were not accorded to purchasers competing with the favored purchasers in the resale and distribution of respondents' products.

For example, respondents have furnished to some of the aforesaid purchasers the services of special personnel known as "stylists." Such personnel, compensated and furnished by respondents, are installed in the places of business of some of the aforementioned purchasers to assist the clerical personnel of said purchasers in advising customers and to display, demonstrate, fit, offer for sale and sell respondents' products to the customers of said purchasers.

During the same period of time, respondents have sold their products to retailers competing with said purchasers and have not fur-

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nished or offered to furnish the services of stylists to said retailers on proportionally equal terms.

PAR. 10. The aforesaid acts and practices of respondents as alleged above violate subsection (e) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Sec. 13).

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of subsections (d) and (e) of Section 2 of the Clayton Act, as amended, 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 the 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 Bali Brassiere Company, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York with its principal office and place of business now located at 16 East 34 Street, (formerly at 393 Fifth Avenue) New York, New York.

Respondents Myron Stein and Sam Stein are officers of said corporation, and their 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.

ORDER

It is ordered, That respondent Bali Brassiere Company, Inc., a corporation, and its officers, and Myron Stein and Sam Stein, individually, and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the manufacture, sale and distri-

bution of women's wearing apparel such as brassieres and other related products, in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

1. Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of respondents, as compensation for or in consideration for any services or facilities furnished by or through such customer in connection with the handling, offering for sale, sale or distribution of said products, unless such payment or consideration is available on proportionally equal terms to all other customers competing in the distribution or sale of such products.

2. Contracting to furnish, furnishing, or contributing to the furnishing of the services of stylists or any other services or facilities in connection with the handling, sale or offering for sale of respondents' products to any purchaser from respondents of such products bought for resale, when such services or facilities are not accorded on proportionally equal terms to all other purchasers from respondent who resell such products in competition with such purchasers who receive such services or facilities.

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

JOHN GEINOPOLOS TRADING AS SUN DISTRIBUTING COMPANY

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

Docket C-706. Complaint, Feb. 7, 1964—Decision, Feb. 7, 1964

Consent order requiring a Chicago distributor of various articles of merchandise to cease using lottery devices to sell his small electrical appliances and other articles of merchandise.

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

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Trade Commission, having reason to believe that John Geinopolos, an individual, trading as Sun Distributing Company, 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 John Geinopolos is an individual trading as Sun Distributing Company, with his principal office and place of business located at 216 South Jefferson Street, in the city of Chicago, State of Illinois.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the offering for sale, sale and distribution, through others, of nylon hose, cigarette lighters, radios, watches, handbags, toy animals, small electrical appliances, and other articles of merchandise to the public.

PAR. 3. In the course and conduct of his said business, respondent now causes, and for some time last past has caused, his said merchandise, when sold, to be shipped from his 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 merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his business as described above, the respondent furnishes and has furnished various plans of merchandising which involve the operation of games of chance, gift enterprises, or lottery schemes, when such merchandise is offered for sale, sold and distributed to the purchasing public. Among the methods and sales plans adopted and used by respondent, and which are typical, but not all inclusive, of the practices of the respondent are the following:

Respondent distributes, and has distributed, to members of the public, certain literature and instructions including, among other things, pushcards, order blanks and circulars which have thereon illustrations and descriptions of said merchandise. Said circulars also explain respondent's plan of selling and distributing his merchandise and of allotting it as premiums or prizes to the operators of said pushcards and as prizes to members of the purchasing public who purchase chances or pushes on said cards. One of respondent's said pushcards, which is typical of all pushcards distributed by the respondent, bears twenty-four names with ruled lines on the back of said card for writing in the name of the purchaser of the push

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corresponding to the name selected. Said pushcard has twenty-four partially perforated discs. Each of said discs bears one of the names corresponding to those on the lines on the reverse side. Concealed within each disc is the number which is disclosed only when the disc is pushed or separated from the card. The pushcard also has a large master seal and concealed within the said master seal is one of the names appearing on the discs. The person selecting the name corresponding with the one under the master seal receives three pairs of "Nylon Seamless Hose". The pushcard bears the following statements, depictions and instructions, among others:

Picture of a Woman Pointing to Nylon Hose She is Wearing

Lucky name under large seal receives
3 pairs beautiful sheer 100% nylon seamless hose.
Wear them and wear them, will not run

Guarantee

Every pair of Mary Lee Kant-Run Hose fully
guaranteed 100% perfect quality. Your money
cheerfully refunded if not satisfied.

Do not remove seal until entire card is sold

No. 1 pays 1¢
No. 7 pays 7¢
No. 14 pays 14¢
No. 16 pays 16¢
No. 19 pays 19¢

2 Free numbers

Nos. 50, 60 pay nothing

All others pay only 26¢ none higher

Write your name on reverse side opposite name you select

Sales of respondent's merchandise by means of said pushcards are made in accordance with the above described instructions, and the prizes or premiums are allotted to the customers or purchasers from said cards in accordance with the above legend or instructions. Whether a purchaser receives an article of merchandise or nothing for the amount of money paid, and the amount to be paid for the merchandise, or the chance to receive said merchandise, are thus determined wholly by lot or chance. The articles of merchandise have a value substantially greater than the price paid for such chance or such push.

Respondent furnishes and has furnished, various pushcards accompanied by order blanks, instructions and other printed matter for use in the sale and distribution of his merchandise by means of games of chance, gift enterprises, or lottery schemes. The sales plans or methods involved in the sale of all of the said merchandise by means of said pushcards are the same as hereinabove described, varying only in detail as to the merchandise distributed and the prizes or chances on each card.

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PAR. 5. The persons to whom respondent furnishes, and has furnished, said pushcards use the same in selling and distributing respondent's merchandise in accordance with the aforesaid sales plan. Respondent thus supplies to and places in the hands of others the means of conducting games of chance, gift enterprises or lottery schemes in the sale of his merchandise in accordance with the sales plan hereinabove set forth. The use by respondent of said sales plans or methods in the sale of his merchandise and the sale of said merchandise by and through the use thereof, and by the aid of said sales plans or methods, is a practice which is contrary to established public policy of the Government of the United States.

PAR. 6. The sale of merchandise to the purchasing public in the manner above alleged involves a game of chance or the sale of a chance to procure one of the said articles of merchandise at a price much less than the normal retail price thereof. Many persons are attracted by said sales plans or methods used by respondent and the element of chance involved therein and thereby are induced to buy and sell respondent's merchandise.

The use by respondent of a sales plan or method involving distribution of merchandise by means of chance, lottery or gift enterprise, is contrary to the public interest and constitutes unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. The aforesaid acts and practices of respondent, as herein alleged, were, and are, all to the prejudice and injury of the public and constituted, and now constitute, unfair 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 John Geinopolos is an individual trading as Sun Distributing Company, with his office and principal place of business located at 216 South Jefferson Street, in the city of Chicago, State of Illinois.

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 proposed respondent, John Geinopolos, an individual trading as Sun Distributing Company or under any other name or names, his agents, representatives, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of nylon hose, cigarette lighters, radios, watches, handbags, toy animals, electrical appliances, or any other articles of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Supplying to or placing in the hands of others pushcards or any other lottery device or devices, either with merchandise or separately, which are designed or intended to be used in selling or distributing said merchandise to the public by means of games of chance, gift enterprises or lottery schemes.

2. Shipping, mailing or transporting to agents or distributors, or to members of the purchasing public, pushcards or any other lottery device or devices which are designed or intended to be used in the sale or distribution of respondent's merchandise to the public by means of games of chance, gift enterprises or lottery schemes.

3. Selling or otherwise disposing of any merchandise by means of or under a plan involving a game of chance, gift enterprise, or lottery scheme.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

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IN THE MATTER OF

CHARLES R. DORNER DOING BUSINESS AS DR. C. R. DORNER
ET AL.

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

Docket C-707. Complaint, Feb. 7, 1964—Decision, Feb. 7, 1964

Consent order requiring a Battle Creek, Mich., distributor to jobbers and retailers of "Liquid Glass Auto Polish." to cease misrepresenting the durability, protective quality, and composition of his polish: and to cease using the words "Liquid Glass" to describe his polish and using the word "Laboratories" in his trade name.

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 Charles R. Dorner, an individual doing business as Dr. C. R. Dorner, and as Dorner Laboratories, 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 Charles R. Dorner is an individual doing business as Dr. C. R. Dorner, and as Dorner Laboratories, with his principal office and place of business located at 25 Fremont Street, in the city of Battle Creek, State of Michigan.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of automobile polish to distributors, jobbers, retailers, and others for resale to the public.

PAR. 3. In the course and conduct of his business, respondent now causes, and for some time last past has caused, his said product, when sold, to be shipped either from his said place of business in the State of Michigan or from the place of its manufacture in Syracuse, Indiana 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. 4. In the course and conduct of his business, and for the purpose of inducing the purchase of his "Liquid Glass Auto Polish", re-

spondent has made certain statements and representations on the labeling of the product's container, and in leaflets, mailers, and other written matter distributed with the product, typical and illustrative of which, but not all inclusive, are the following:

Permanent protective glass!!!

* * * * *

Liquid Glass is a permanent glass finish for acrylic auto paints, chrome, etc.

* * * * *

Impossible to scratch Glass finish with fingernails.

* * * * *

Liquid Glass Auto Polish can be taken off only by phosphoric acid or sand paper.

* * * * *

Liquid Glass * * * ends rust forever.

* * * * *

Nothing will stick to Liquid Glass finish; not even finger prints or bugs.

* * * * *

Liquid Glass Auto Polish is not affected by ultra violet ray.

* * * * *

Liquid Glass Auto Polish finish will not oxidize in the hot summer sunlight.

* * * * *

Glass finish is not affected by sun or oxidation in summer.

* * * * *

Liquid Glass applied on boats will improve the speed 3 to 5 knots faster.

* * * * *

If your car will go 115 mph it will do 120 mph with Liquid Glass finish.

* * * * *

Liquid Glass Auto Polish is shielding aluminum jets . . .

* * * * *

Indianapolis race cars * * * are using Liquid Glass for speed.

* * * * *

Glass coats! All in one operation.

* * * * *

Liquid Glass is composed of chemicals that dissolve into Liquid Glass.

* * * * *

Liquid Glass is glass dissolved by X-ray.

* * * * *

Liquid Glass is a radio active chemical combined with X-ray that dissolves glass into liquid glass. The radio active chemical depolarizes dirt like two opposite magnets pushing the dirt apart with lightning speed.

* * * * *

Liquid Glass lasts longer because it hardens like auto windshield glass.

* * * * *

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Liquid Glass will be on your car finish when it is junked. Remember glass never wears out; look at junked cars and the only thing preserved is the glass.

Liquid Glass Auto Polish contains no oils or wax or silicone. Liquid Glass is much harder than silicone or wax because Liquid Glass is dissolved glass and not melted silicone or wax.

Comparison tests beside 148 different brands of polish proved Liquid Glass can do 50 different things. The 2nd best polish out of the 148 brands can do only 28 different things listed. Some popular wax brands have scored (0) zero on all of these 50 different tests. Number 1 eliminates every silicone or wax product on the market.

Liquid Glass is the same electron structure as acrylic paint. So Liquid Glass removes everything but seals to acrylic paint with a glass protection. Because Liquid Glass is the same molecular structure as new acrylic or old types of enamel paint.

Dorner Laboratories, Battle Creek, Mich.

Dorner Laboratories

(Northeast) — 25 Fremont Street, Battle Creek, Mich.

(South) — 1520 North Shore St., Petersburg, Fla., Millionaire's Row

(West) — POB Liquid Glass Auto Polish, Palm Springs, Calif.

Dr. C. R. Dorner's exclusive Liquid Glass formula is scientifically formulated through advanced experience in space age chemistry * * *

Formula known by Dr. C. R. Dorner, supervisor of space capsulation of radio active chemicals in research flying saucer development program here in the U.S.A.

Pyramid yourself into a millionaire * * * Like I did!

Be a millionaire like Dr. Dorner. Dr. Dorner started from a \$2.50 sale and today he is a millionaire.

Dorner Laboratories is one of ten companies listed with Dun & Bradstreet [sic] that went over \$1,000,000 their first year

Three different chemical companies now have offered over \$3,000,000 for Liquid Glass formula. Dr. Dorner will not sell formula.

Dupont want to buy formula for \$3,000,000. Dr. Dorner will not sell formula.

This literature has been investigated by the FTC and the U.S. Post Office in Washington, D.C., plus the Canadian Government and three other Gov-

ernments and over 5,000 Better Business Bureaus and the Chamber of Commerces [sic]. Liquid Glass has been put through tests on its claims by the Bureau of Standards and the F.D.A. in Washington, D.C.

* * * * *

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import not specifically set forth herein, respondent represents, directly or by implication, that:

1. Respondent's polish imparts to an automobile's surface a protective finish and depth of luster which is permanent and which remains virtually unchanged throughout the life of the surface.
2. The application of respondent's polish imparts to an automobile's surface a finish that cannot be scratched with fingernails.
3. The application of a coating of respondent's polish to an automobile's surface can only be removed by the use of sandpaper or phosphoric acid.
4. The use of Liquid Glass Auto Polish will protect an automobile's surface from rust permanently.
5. Nothing will stick to an automobile's finish after application of Liquid Glass Auto Polish, not even fingerprints or bugs.
6. After application of Liquid Glass Auto Polish to an automobile's surface, the finish will not be affected by the ultraviolet rays of the sun, and the paint will not oxidize in sunlight.
7. The application of Liquid Glass Auto Polish to the surface of boats will increase the boat's speed by 3 to 5 knots.
8. The application of Liquid Glass Auto Polish to the surface of automobiles will increase the automobile's speed by 5 miles per hour.
9. Liquid Glass Auto Polish is being used by commercial or military air authorities to shield or protect aluminum jet aircraft.
10. Liquid Glass Auto Polish is generally being used at the Indianapolis Speedway for the purpose of increasing the speed of racing cars.
11. Respondent's polish imparts a coating of glass to an automobile's surface.
12. Respondent's polish is composed of or contains glass.
13. Respondent's polish is composed of a radioactive chemical combined with X-ray that dissolves glass into liquid glass; and that the radioactive chemical acts by depolarizing dirt like two opposite magnets pushing the dirt apart.
14. After application to an automobile's surface, Liquid Glass Auto Polish becomes as hard as auto windshield glass.
15. Liquid Glass Auto Polish never wears out.
16. Liquid Glass Auto Polish does not contain silicone.

17. Liquid Glass Auto Polish has been subjected to performance tests in which it was compared to 148 different brands of automobile polish.

18. As a result of tests, respondent's polish was found to be superior to all other brands on the market.

19. Liquid Glass Auto Polish has the same electron structure and the same molecular structure as acrylic paint.

20. Respondent operates, maintains, controls or owns a laboratory, or a number of laboratories, for the formulation, testing, analysis or production of automobile polish.

21. Respondent has earned a doctorate degree in chemistry, or some related scientific field, and he has scientific or technical experience which he has utilized in the formulation of his automobile polish.

22. Respondent is, or has been, engaged in space research or development, or research or development in some related field, under the sponsorship or employ of, or affiliation with, the United States Government.

23. Persons who sell respondent's polish will earn, or may reasonably expect to earn, one million dollars.

24. Respondent has earned one million dollars through sales of Liquid Glass Auto Polish.

25. Respondent's volume of sales in his first year of business was in excess of one million dollars.

26. Three chemical companies, including E. I. Du Pont de Nemours & Co., Inc., have offered respondent over three million dollars for the purchase of the formula for Liquid Glass Auto Polish.

27. Respondent is the owner of the formula for Liquid Glass Auto Polish, and manufactures the product.

28. The advertising literature disseminated by respondent for Liquid Glass Auto Polish has been given the approval of the Federal Trade Commission, the United States Post Office Department, the Canadian Government and the Governments of three other countries. Respondent's advertising has been approved by 5,000 Better Business Bureaus and Chambers of Commerce. Respondent's auto polish has been tested by, and its advertising claims approved by, the National Bureau of Standards and the Food And Drug Administration.

PAR. 6. In truth and in fact:

1. Respondent's polish does not impart to an automobile's surface a protective finish or depth of luster which is permanent or which remains virtually unchanged throughout the life of the surface.

2. The application of respondent's polish imparts to an automobile's surface a finish that can be scratched with fingernails.
3. The application of a coating of respondent's polish to an automobile's surface can be removed by the use of mechanical and chemical means in addition to that of sandpaper and phosphoric acid.
4. The use of Liquid Glass Auto Polish will not protect an automobile's surface from rust permanently.
5. Application of Liquid Glass Auto Polish will not prevent anything from sticking to an automobile's finish, and it will not prevent fingerprints or bugs from sticking to an automobile's finish.
6. After application of Liquid Glass Auto Polish to an automobile's surface, the finish will continue to be affected by the ultraviolet rays of the sun and the paint will continue to oxidize in the sunlight.
7. The application of Liquid Glass Auto Polish to the surface of boats will not increase the boat's speed by 3 to 5 knots.
8. The application of Liquid Glass Auto Polish to the surface of automobiles will not increase the automobile's speed by 5 miles per hour.
9. Liquid Glass Auto Polish is not being used by commercial or military air authorities to shield or protect aluminum jet aircraft.
10. Liquid Glass Auto Polish is not generally being used at the Indianapolis Speedway for the purpose of increasing the speed of racing cars.
11. Respondent's polish does not impart a coating of glass to an automobile's surface.
12. Respondent's polish is not composed of and does not contain glass.
13. Respondent's polish is not composed of a radioactive chemical combined with X-ray that dissolves glass into liquid glass. The polish does not act by depolarizing dirt like two opposite magnets pushing the dirt apart.
14. After application to an automobile's surface, Liquid Glass Auto Polish does not become as hard as auto windshield glass.
15. Liquid Glass Auto Polish will eventually wear out.
16. Liquid Glass Auto Polish does contain silicone.
17. Liquid Glass Auto Polish has not been subjected to performance tests in which it was compared to 148 different brands of automobile polish.
18. Respondent's polish was not found to be superior to all other brands on the market as a result of tests.

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19. Liquid Glass Auto Polish does not have the same electron structure or the same molecular structure as acrylic paint.

20. Respondent does not operate, maintain, control, or own a laboratory, or a number of laboratories, for the formulation, testing, analysis or production of automobile polish or any other product.

21. Respondent has not earned a doctorate degree in chemistry, or any related scientific field, and he has no scientific or technical experience, and he did not formulate the automobile polish which he sells.

22. Respondent is not now, and never has been, engaged in space research or development, or research or development in any related field, under the sponsorship or the employ of, or in affiliation with, the United States Government.

23. Persons who sell respondent's polish will not earn, and can not reasonably expect to earn, one million dollars.

24. Respondent has not earned one million dollars through sales of Liquid Glass Auto Polish.

25. Respondent's volume of sales in his first year of business was not in excess of one million dollars.

26. No chemical company has offered respondent over three million dollars, or any amount, for the purchase of the formula for Liquid Glass Auto Polish.

27. Respondent is not the owner for the formula for Liquid Glass Auto Polish, and respondent does not manufacture the product.

28. The advertising literature disseminated by respondent for Liquid Glass Auto Polish has not been given the approval of the Federal Trade Commission, the United States Post Office Department, the Canadian Government or the Government of any other countries. Respondent's advertising has not been approved by any Better Business Bureaus or Chambers of Commerce. Respondent's auto polish has not been tested by, and its advertising claims have not been approved by, the National Bureau of Standards or the Food and Drug Administration.

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 acts and practices, respondent places in the hands of distributors, jobbers, dealers and others, the means and instrumentalities by and through which they may mislead the public as to the qualities and characteristics of respondent's automobile polish, respondent's business and respondent's experience and qualifications.

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

PAR. 9. The use by respondent of the aforesaid false, misleading and deceptive statements and representations 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 respondent's product by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of 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 Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent 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 respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has 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. Charles R. Dorner is an individual doing business as Dr. C.R. Dorner and as Dorner Laboratories, with his principal office and

place of business located at 25 Fremont Street, in the city of Battle Creek, 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 Charles R. Dorner, an individual doing business as Dr. C. R. Dorner, Dorner Laboratories, or under any other trade name or names, 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 automobile polish, or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Representing, directly or by implication, that:

1. Respondent's polish imparts to an automobile's surface a protective finish or depth of luster which is permanent or which remains virtually unchanged throughout the life of the surface.
2. The application of respondent's polish imparts to an automobile's surface a finish that cannot be scratched with fingernails.
3. The application of a coating of respondent's polish to an automobile's surface can only be removed by the use of sandpaper or phosphoric acid, or any other similarly constituted substance.
4. The use of respondent's automobile polish will protect an automobile's surface from rust permanently, or for any period longer than is the fact.
5. Any foreign substance will be prevented from sticking to an automobile's finish after application of respondent's polish, or that fingerprints and bugs will not stick to an automobile's surface after application of respondent's polish.
6. After application of respondent's polish to an automobile's surface, the finish will not be affected by the ultraviolet rays of the sun, or will not oxidize in sunlight.
7. The application of respondent's polish to the surface of boats will increase the boat's speed by 3 to 5 knots, or by any amount more than is the fact.
8. The application of respondent's polish to the surface of automobiles will increase the automobile's speed by 5 miles per hour, or by any amount more than is the fact.

9. Respondent's polish is being used by commercial or military air authorities to shield or protect aluminum jet aircraft.

10. Respondent's polish is generally being used at the Indianapolis Speedway, or any other Speedway or auto race course, for the purpose of increasing the speed of racing cars.

11. Respondent's polish imparts a coating of glass to an automobile's surface.

12. Respondent's polish is composed of or contains glass.

13. Respondent's polish is composed of a radioactive chemical combined with X-ray that dissolves glass into liquid glass, or that respondent's polish acts by depolarizing dirt like two opposite magnets pushing the dirt apart.

14. After application to an automobile's surface, respondent's polish becomes as hard as auto windshield glass.

15. Respondent's polish never wears out.

16. Respondent's polish does not contain silicone.

17. Respondent's polish has been subjected to performance tests in which it was compared to 148 different brands of automobile polish, or compared to any number of competing brands of polish that is more than the fact.

18. Respondent's polish was found to be superior to all other brands of polish on the market as a result of tests.

19. Respondent's polish has the same electron structure, or the same molecular structure, as acrylic paint.

20. Respondent operates, maintains, controls or owns a laboratory, or a number of laboratories, for the formulation, testing, analysis or production of automobile polish, or any other product.

21. Respondent has earned a doctorate degree in chemistry, or any related scientific field, or that respondent has scientific or technical experience which he has utilized in the formulation of automobile polish, or any other product.

22. Respondent is, or has been, engaged in space research or development, or research or development in any related field, under the sponsorship or employ of, or affiliation with, the United States Government.

23. Persons who sell respondent's polish will earn, or may reasonably expect to earn, one million dollars, or any specified amount of money when such amount is in excess of that which respondent can establish as being the earnings such person may reasonably expect to achieve.

24. Respondent has earned one million dollars through sales of automobile polish, or any specified amount of money when such amount is in excess of that which respondent can establish as being his earnings.

25. Respondent's volume of sales in his first year of business was in excess of one million dollars, or that respondent's sales in any period have been any specified amount of money when such amount is in excess of that which respondent can establish as being his sales for the period stated.

26. Chemical companies, such as E. I. Du Pont de Nemours & Co., Inc., or any companies, have offered respondent over three million dollars, or any amount, for the purchase of the formula for the automobile polish which he sells.

27. Respondent is the owner of the formula for the automobile polish which he sells, or that he manufactures the product.

28. The advertising literature disseminated by respondent for his automobile polish has been given the approval of the Federal Trade Commission, the United States Post Office Department, the Canadian Government, or the governments of or agencies of any other countries; or that respondent's advertising has been approved by Better Business Bureaus or by Chambers of Commerce; or that respondent's automobile polish has been tested by, or its claims approved by, the National Bureau of Standards, the Food and Drug Administration, or any other government agency.

B. Using the words "Liquid Glass", or any other name of similar import or meaning, as a name for, or to describe or refer to, respondent's automobile polish.

C. Using the word, "Laboratories", or any other word of similar import or meaning, as part of any trade or corporate name or in any other manner, to describe or refer to respondent's business, unless respondent does in fact operate, maintain, control or own a laboratory.

D. Misrepresenting, in any manner:

1. The permanence, protective qualities, imperviousness to scratching or removal, rust prevention or protection, or any other characteristics or qualities of respondent's polish, or of any product.

2. The composition, ingredients, or nature of the contents of respondent's polish, or of any product.

3. The nature of respondent's business, education, qualifications or experience, or the nature or results of any test conducted on any product.

4. The amount or nature of the earnings that have been achieved, or will be achieved, by respondent, respondent's business, or by persons who sell respondent's product.

E. Placing in the hands of distributors, jobbers, dealers, retailers, or others, means and instrumentalities by and through which they may deceive and mislead the purchasing public in the manner or as to the things hereinabove prohibited.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.
