

## Complaint

## IN THE MATTER OF

## SUNMASTER ELECTRIC PRODUCTS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE  
FEDERAL TRADE COMMISSION ACT*Docket C-894. Complaint, Apr. 26, 1965—Decision, Apr. 26, 1965*

Consent order requiring a New York City wholesaler of Sunmaster incandescent electric light bulbs and related merchandise, distributing through individual salesmen, to cease making false claims as to laboratory tests, guarantees, identity of users of their merchandise, misrepresenting the characteristics of competitors' light bulbs, and furnishing catalogs, advertising mats, and other promotional material to salesmen through which they may mislead prospective customers.

## 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 Sunmaster Electric Products, Inc., a corporation, and Nathan Bernard, 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 Sunmaster Electric Products, 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 133 West 19th Street, in the city of New York, State of New York.

Respondent Nathan Bernard is the president of Sunmaster Electric Products, Inc. He formulates, directs and controls the acts and practices of Sunmaster Electric Products, Inc., including the acts and practices hereinafter set forth. His office and principal place of business is located at the above stated address.

PAR. 2. Respondents have been and are now engaged at the wholesale level in the offering for sale, sale and distribution of Sunmaster incandescent light bulbs and related merchandise to individuals who act as salesmen and who resell such merchandise to the public. Such salesmen are sent through the mail catalogs, brochures, order forms, advertising mats and other promotional material designed and intended to induce sales of such merchandise to such salesmen and to be used to promote the resale of such merchandise to the public.

Individual respondent Nathan Bernard is now, and has been also engaged, directly or through another corporate device, in the offering for sale, sale and distribution of coffeemakers, in commerce; and for some time last past was similarly engaged in the offering for sale, sale and distribution of vitamins, in commerce.

PAR. 3. In the course and conduct of their business, respondents have caused and now cause said Sunmaster light bulbs and related merchandise, 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 in the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in such merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the sale of Sunmaster incandescent light bulbs, respondents have made numerous statements and representations concerning the characteristics of competitors' light bulbs, laboratory tests conducted, the identity of regular users, and the guarantee provided.

Typical and illustrative of such statements and representations are the following:

(a) THE BIG COMPANIES SHORTEN BULB LIFE

Just about fifteen years ago ordinary bulbs lasted 1,500 hours. Today, in spite of the fact that Sunmaster has a 10,000 hour bulb which is 100% guaranteed for 5 years—you're lucky if your ordinary bulb lasts 750 to 1,000 hours!

(b) HERE'S WHAT INDEPENDENT LAB TESTS PROVE

The sturdier filament and the improved construction make it possible for a Sunmaster 5-year bulb to withstand jars and knocks that would shatter an ordinary filament. Also:

- \* \* \* the light is more relaxing, free from glare
- \* \* \* it burns cooler—20% cooler than ordinary bulbs
- \* \* \* it gives a steadier light
- \* \* \* it actually lasts 13 times longer than ordinary bulbs.

(c) EVEN BIG USERS ARE SWITCHING TO LONG LIFE BULBS

Scores of industrial plants, offices and institutions are making the switch to this more economical way of lighting. For example, United States Steel Company, Grumman Aircraft, Tidewater Oil, Trans-Caribbean Airways, Gen. MacArthur Airport, Westover Air Force Base, Grumann Boat Works, and many others are regular, enthusiastic users.

(d) Flattering light for 5 years—GUARANTEED

We unconditionally guarantee all Sunmaster bulbs.

PAR. 5. Through the use of the aforesaid statements and representations, and others similar thereto, but not specifically set forth, respondents have represented, directly or by implication, that:

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(a) Approximately fifteen years ago the manufacturers of competitive standard incandescent light bulbs reduced the useful life of said standard bulbs from 1,500 hours to a substantially lesser amount.

(b) An independent testing laboratory has tested Sunmaster 5-year bulbs and verified the aforesaid claims made for such light bulbs.

(c) Tidewater Oil Company, Trans-Caribbean Airways, Grumman Aircraft and each of the other nationally known companies listed regularly use Sunmaster light bulbs.

(d) Sunmaster 5-year bulbs are unconditionally guaranteed in every respect for five years or for some other extended but unspecified period of time.

PAR. 6. In truth and in fact:

(a) Approximately fifteen years ago nor subsequent thereto the manufacturers of competitive standard incandescent light bulbs did not reduce the useful life of said standard bulbs from 1,500 hours to a substantially lesser amount or any lesser amount.

(b) An independent testing laboratory has not tested Sunmaster 5-year bulbs nor verified the aforesaid claims made for such light bulbs.

(c) Tidewater Oil Company, Trans-Caribbean Airways, Grumman Aircraft and each of the other nationally known companies listed do not regularly use Sunmaster light bulbs.

(d) Sunmaster 5-year light bulbs are not unconditionally guaranteed in every respect for five years or for some other extended but unspecified period of time. Such guarantee as may be provided is subject to numerous limitations.

Said statements and representations were, therefore, false, misleading and deceptive.

PAR. 7. By the aforesaid practices, respondents now place, and for some time last past have placed in the hands of Sunmaster salesmen, for the purpose of inducing the sale of Sunmaster light bulbs, the means and instrumentalities by and through which they may mislead the public.

PAR. 8. In the course and conduct of their business, and at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms, and individuals engaged in the sale of merchandise 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,

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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' merchandise by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of the 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 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. Respondent Sunmaster Electric Products, 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 133 West 19th Street, in the city of New York, State of New York.

Respondent Nathan Bernard is an officer of the said corporation and his address is the same as that of the 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 respondents Sunmaster Electric Products, Inc., a corporation, and its officers, and Nathan Bernard, individually and as an officer of said corporation, and their representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of Sunmaster incandescent electric light bulbs, 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 approximately fifteen years ago the manufacturers of standard incandescent light bulbs reduced the useful life of said bulbs; or misrepresenting, in any manner, the changes or modification in durability, performance or other characteristics made by the manufacturer or producer of any competitive product.

2. Representing, directly or by implication, that any merchandise has been tested by an independent testing laboratory or that any claim has been verified by an independent testing laboratory or organization unless respondents establish that such is the fact; or misrepresenting in any manner, the results of any laboratory or other tests.

3. Representing, directly or by implication that any person, group, firm or corporation is a user of any merchandise unless respondents establish that such is the fact; or misrepresenting, in any manner, the extent of the use of such merchandise by any person, group, firm or corporation.

4. Representing, directly or by implication, that any merchandise is guaranteed unless the nature and extent of the guarantee, the manner in which the guarantor will perform, and the identity of the guarantor are clearly and conspicuously disclosed.

5. Furnishing or otherwise placing in the hands of salesmen or others the means and instrumentalities by and through which they may mislead or deceive the public in the manner or as to the things hereinabove prohibited.

*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  
JOHN H. WORTMAN

DOING BUSINESS AS  
AMERICAN PLASTICS, ETC.

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

*Docket C-895. Complaint, Apr. 27, 1965—Decision, Apr. 27, 1965*

Consent order requiring a Chicago, Ill., seller of skip-tracing forms—postcard questionnaire forms—used for the purpose of obtaining information on delinquent debtors, to cease using such forms to obtain information without clearly revealing the purpose; representing falsely that “a new model car” or any other gift was being held for recipient pending receipt of completed form; and using such names as “Kar-Chance” to describe his business.

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 John H. Wortman, an individual trading and doing business as American Plastics, Kar-Chance Division of American Plastics, or Kar-Chance, 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 H. Wortman, is an individual trading and doing business under the name of American Plastics, Kar-Chance Division of American Plastics, or Kar-Chance, with its principal place of business located at 80 East Jackson Boulevard, Chicago, Illinois.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the business of selling a printed mailing form under his trade name. Respondent causes said printed material when sold, to be transported from his place of business in the State of Illinois to purchasers thereof at their respective points of location in various other States of the United States. Respondent maintains, and at all times hereinafter mentioned has maintained, a course of trade in his said form in commerce as “commerce” is defined in the Federal Trade Commission Act.

PAR. 3. The said printed form sold by the respondent, as heretofore alleged, is designed and intended to be used, and has been used, by