

IN THE MATTER OF
APPLIANCE PRODUCT SERVICE ET AL.

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

Docket C-1269. Complaint, Nov. 20, 1967—Decision, Nov. 20, 1967

Consent order requiring a Philadelphia, Pa., appliance repair concern to cease misrepresenting the quality of its service, the location of its business, making deceptive guarantees, and removing appliances unnecessarily to its shop for repairs.

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 Appliance Product Service, a partnership, and Leon C. Sack, and Julius C. Sack also known as Jules C. Sack, individually and as copartners trading and doing business as Appliance Product Service, 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 Appliance Product Service is a partnership comprised of the subsequently named individuals who formulate, direct and control the acts and practices of said partnership, including the acts and practices hereinafter set forth. The office and principal place of business of said partnership is located at 2061-2063 East Cheltenham Avenue, Philadelphia, Pennsylvania.

Respondents Leon C. Sack and Julius C. Sack also known as Jules C. Sack are individuals and copartners trading and doing business as Appliance Product Service with their office and principal place of business located at the same address as that of the said partnership.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the sale of appliances and parts and in the servicing and repairing of refrigerators, freezers, water coolers, air conditioners, and other appliances for 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 and services and repairs to be advertised in the classified business section of the telephone directories of Philadelphia, Pennsylvania and other areas, some of which are located in States other than the State of Pennsylvania and in other advertising media having and being circulated and distributed in and between the State of Pennsylvania and various other States of the United States; and when sold to be shipped from their place of business in the State of Pennsylvania to purchasers thereof located in various other States of the United States; and in a substantial number of instances caused the appliances and products of their customers on which repairs were to be made to be shipped from said customers' residence or place of business in States other than the State of Pennsylvania to respondents' said place of business in the State of Pennsylvania and returned. Respondents, therefore, maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products, parts, services and repairs in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their aforesaid business, and for the purpose of inducing the sale of their services and repairs, respondents have made numerous statements and representations in advertisements inserted in the yellow pages of telephone directories, as aforesaid, with respect to the character and quality of their services, repairs, the guarantees given in connection therewith, and the location of their business and facilities.

Typical and illustrative of the aforesaid statements and representations, but not all inclusive thereof, are the following:

EMERGENCY
SERVICE
REFRIGERATORS
FREEZERS

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RADIO DISPATCHED SERVICEMEN
COVERING ENTIRE CAMDEN COUNTY
Genuine Factory Parts
Service on

Frigidaire	General Electric
Westinghouse	Amana
Hotpoint	Admiral
Norge	Philco
Kelvinator	Jordon
Crosley	Coldspot

RCA-Whirlpool

Written Guarantee with every repair
966-7300 Covering Entire Camden County
Appliance Product Service
120 N. 8th Street, Camden

* * * * *

Each customer of the respondents receives a sales slip which contains the following representation:

GUARANTEE: All repairs listed above are guaranteed for a period of 90 days from date.

PAR. 5. By and through the use of the above-quoted statements and representations, and others of similar import and meaning but not specifically set out herein, the respondents represent, and have represented, directly or by implication, that:

1. They provide satisfactory service or repairs on the above appliances.

2. They unconditionally guarantee all products, repairs, or services and that respondents in fact fulfill all of their requirements and obligations under the terms of such guarantees.

3. They operate a "Local" service and repair business at 120 N. 8th Street, Camden, New Jersey, for the public who reside in Camden, New Jersey, and surrounding areas.

PAR. 6. In truth and in fact:

1. Respondents do not provide satisfactory service or repairs on said appliances.

2. Respondents do not unconditionally guarantee all products, repairs, and services and do not in fact fulfill all of their requirements and obligations under such guarantees. In fact, such guarantees have conditions and limitations as to parts, labor and other service charges not specifically set out therein.

3. Respondents do not operate a "Local" service and repair business on major appliances at 120 N. 8th Street, Camden, New

Jersey, for the public who reside in Camden, New Jersey, and surrounding areas. In fact, 120 N. 8th Street is an address for a commercial answering service in Camden, New Jersey. Their only place of business is at 2061-2063 East Cheltenham Avenue, Philadelphia, Pennsylvania.

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

PAR. 7. In the course and conduct of their business, respondents' servicemen orally represent and have represented to prospective customers that their said appliances or parts thereof could not be serviced or repaired on the premises and that it would be necessary to take said appliances or parts thereof to the respondents' place of business for service and repairs.

PAR. 8. In truth and in fact, most service and repairs of such appliances or parts thereof can and could have been made on the premises and it was not necessary to take said appliances or parts thereof to the respondents' place of business for service and repairs. Such acts by respondents greatly inconvenienced the owners, added substantial additional charges and frequently resulted in damage to the appliances and to the owners' premises.

Therefore, the statements and representations as set forth in Paragraph Seven hereof, were and are false, misleading and deceptive.

PAR. 9. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals who sell, service or repair products of the same general kind and nature as those sold, serviced or repaired by respondents.

PAR. 10. 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' goods and services 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, 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 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 alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission, having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of 30 days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Appliance Product Service is a partnership comprised of Leon C. Sack and Julius C. Sack, with its office and principal place of business located at 2061-2063 East Cheltenham Avenue, Philadelphia, Pennsylvania.

Respondents Leon C. Sack and Julius C. Sack, also known as Jules C. Sack, are individuals and copartners of said partnership and their address is the same as that of said partnership.

2. The Federal Trade Commission has jurisdiction of the subject matter of the proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Appliance Product Service, a partnership, and Leon C. Sack, and Julius C. Sack, also known as Jules C. Sack, individually and as copartners trading and doing business as Appliance Product Service, or under any other name or names, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution or servicing or repairing of refrigerators, freezers, water coolers, air con-

ditioners, or other appliances 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 they perform satisfactory services or repairs on all appliances serviced or repaired by them: *Provided, however*, That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that all services and repairs on said appliances were in fact satisfactorily performed as represented;

2. Representing, directly or by implication, that any service or repair of any product is guaranteed, unless the nature and extent of the guarantee, the identity of the guarantor and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed;

3. Failing to perform fully and with reasonable promptness all of their requirements and obligations under the terms of the guarantee as represented;

4. Representing, directly or by implication, that they operate a local service or repair business at 120 N. 8th Street, Camden, New Jersey, or at any other address: *Provided, however*, That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that in fact they maintain a repair and service business at the address or addresses represented;

5. Representing, directly or by implication, that services or repairs of customers' appliances or parts thereof can not be performed on the premises where the appliances or parts thereof are located or that it is necessary to take said appliances or parts thereof from the premises where the appliances or parts thereof are located to another location for services or repairs; or from taking said appliances or parts thereof from the premises where the appliances or parts thereof are located to another location: *Provided, however*, That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that the aforesaid removal was required to perform the services or repairs made by them.

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.

Complaint

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IN THE MATTER OF

CONTINENTAL OIL COMPANY ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND SEC. 7 OF THE CLAYTON ACT

Docket C-1270. Complaint, Nov. 21, 1967—Decision, Nov. 21, 1967

Consent order requiring two corporations with headquarters in New York City to terminate a joint venture in the manufacture and sale of vinyl chloride monomer (VCM) and requiring Continental to sell two acquired affiliated producers of polyvinyl chloride resins (PVC).

COMPLAINT

The Federal Trade Commission, having reason to believe that Continental Oil Company and Stauffer Chemical Company have violated the provisions of Section 7 of the Clayton Act and Section 5(a) (1) of the Federal Trade Commission Act, 15 U.S.C. § § 18 and 45(a) (1), and that a proceeding in respect thereof would be to the interest of the public, issues this complaint stating its charges as follows:

I. DEFINITIONS

1. For the purposes of this complaint, the following definitions are applicable:

(a) Vinyl chloride monomer—a chemical identity, $\text{CH}_2=\text{CHCl}$, also called monochloroethylene;

(b) Polyvinyl chloride resin—polyvinyl chloride homopolymers and polyvinyl chloride copolymers:

(1) Polyvinyl chloride homopolymer—a resin produced by the polymerization of vinyl chloride monomer;

(2) Polyvinyl chloride copolymer—a resin which by weight contains 50 percent or more vinyl chloride monomer copolymerized with other comonomers such as vinyl acetate or vinylidene chloride;

(c) Polyvinyl chloride compound—polyvinyl chloride resin mixed physically, usually under heat and pressure, with plasticizers, fillers, stabilizers, pigments or other additives.

II. THE RESPONDENTS

A. Continental Oil Company

2. Respondent Continental Oil Company ("Continental") is a corporation organized and existing under the laws of the State of Delaware, with its principal office and principal place of business at 30 Rockefeller Plaza, New York, New York 10020.

3. Continental, in 1965, was the 37th largest industrial corporation in the United States in terms of sales and the 28th