

(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
ROBERT'S DISCOUNT CENTER ET AL.

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

Docket C-1326. Complaint, April 30, 1968—Decision, April 30, 1968

Consent order requiring a Washington, D.C., discount merchandiser to cease advertising and selling used cameras and radios as new and misrepresenting the guarantees on such 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 Trade Commission, having reason to believe that Robert's Discount Center, a partnership, and Joseph Chabbot and Robert D. Cohen, individually and as copartners trading and doing business as Robert's Discount Center, 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,

Complaint

73 F.T.C.

hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Robert's Discount Center is a partnership comprised of the following named individuals who formulate, direct and control the acts and practices hereinafter set forth. The principal office and place of business of said partnership is located at 1114 F Street, NW., in the city of Washington, District of Columbia.

Respondents Joseph Chabbot and Robert D. Cohen are individuals and copartners trading and doing business as Robert's Discount Center with their principal office and place of business located at the above-stated address.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of cameras, radios and other articles of merchandise to the public.

PAR. 3. In the course and conduct of their business, as aforesaid, respondents now cause, and for some time last past have caused, their said merchandise to be sold to purchasers thereof located within the District of Columbia. Respondents maintain, and at all times mentioned herein have 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 their aforesaid business, and for the purpose of inducing the purchase of certain of their cameras and radios, respondents or their salesmen have represented, and are now representing, directly or by implication, that:

1. Certain cameras and radios offered for sale by respondents are new.
2. Certain cameras and radios are unconditionally guaranteed for a specified period of time.

PAR. 5. In truth and in fact:

1. Some of the cameras and radios offered for sale by respondents are not new. They have been accepted in trade, repaired, reconditioned, or otherwise used. Such cameras and radios, when represented as new, or in the absence of a disclosure that they are used, are understood and accepted by the public as being new.

2. Respondents' cameras and radios are not unconditionally guaranteed for the period of time specified. Such guarantees as they give are subject to conditions and limitations which are not disclosed to the purchaser, and in some instances respondents do not in fact fulfill all of their requirements and obligations under such guarantees.

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

PAR. 6. In the course and conduct of their aforesaid business, and at all times mentioned herein, respondents have been, and are now, in substantial competition, in commerce, with corporations, firms and individuals in the sale and distribution of cameras, radios and other merchandise of the same general kind and nature as those sold by respondents.

PAR. 7. 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' merchandise by reason of said erroneous and mistaken belief.

PAR. 8. 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 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 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 thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure

Decision and Order

73 F.T.C.

prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Robert's Discount Center is a partnership organized, existing and doing business under and by virtue of the laws of the District of Columbia, with its office and principal place of business located at 1114 F Street, NW., Washington, D.C.

Respondents Joseph Chabbot and Robert D. Cohen 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 this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Robert's Discount Center, a partnership, and Joseph Chabbot and Robert D. Cohen, individually and as copartners, trading and doing business as Robert's Discount Center or under any other name or names, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of cameras, radios, or other articles of merchandise, 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 used merchandise is new.

2. Advertising, offering for sale or selling any article of merchandise which has been used or which contains parts or materials which have been used, unless there is clear and conspicuous disclosure of such fact, in all advertising and promotional matter, on the article by tag, sticker or similar device, and on the sales instrument or receipt given to the purchaser at the time of the sale.

3. Representing, directly or by implication, that any article of merchandise 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 in writing to the purchaser at or before the time of sale.

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

