
IN THE MATTER OF
CLAIROL INCORPORATED

MODIFIED ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
SEC. 2 (d) OF THE CLAYTON ACT

Docket 8647. Complaint, Sept. 15, 1964—Decision, Aug. 6, 1969

The Court of Appeals, Ninth Circuit, in an opinion dated April 2, 1969, 410 F.2d 647, modified the cease and desist order dated June 24, 1966, 69 F.T.C. 1009, which prohibited a manufacturer of beauty preparations from paying discriminatory promotional allowances; the Commission, in accordance with the court's opinion, modified the order by deleting the two subparagraphs pertaining to wholesalers, and adding to each of the two remaining provisions pertaining to retail stores and beauty salons a phrase to include retailer customers who do not purchase directly from respondent.

Modified Order to Cease and Desist

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MODIFIED ORDER TO CEASE AND DESIST

Respondent having filed in the United States Court of Appeals for the Ninth Circuit a petition to review and set aside the order to cease and desist issued on June 24, 1966 [69 F.T.C. 1009]; and the court on April 27, 1969, having entered judgment modifying said order to cease and desist and affirming and enforcing said order as so modified; and the time allowed for filing a petition for certiorari having expired and no such petition having been filed:

Now, therefore, it is hereby ordered, That the aforesaid order to cease and desist be, and it hereby is, modified in accordance with the said judgment of the court of appeals to read as follows:

It is ordered, That respondent, Clairol Incorporated, its officers, agents, representatives and employees, directly or indirectly, through any corporate or other device, in or in connection with the offering for sale, sale or distribution of its products, in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith:

1. Cease and desist from paying or contracting to pay anything of value to or for the benefit of any retailer customer engaged in the resale of respondent's hair care products to home use consumers, as compensation or consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale or offering for sale of such products, unless such payment or consideration is available on proportionally equal terms to all other retailer customers of respondent, including retailer customers who do not purchase directly from respondent, who compete with the favored retailer customer in the distribution of such products to consumers for home use.

2. Cease and desist from paying or contracting to pay anything of value to or for the benefit of any customer engaged in rendering hair care services, in the course of which such customer uses respondent's hair care products, for advertising services furnished by or through such customer in the promotion of such products, unless such payment or consideration is available on proportionally equal terms to all other beauty salon customers of respondent, including beauty salon customers who do not purchase directly from respondent, who compete

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Modified Order to Cease and Desist

with the favored beauty salon customer in the rendering
of hair care services and the use of respondent's hair
care products.
