

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

Docket C-1744. Complaint, May 27, 1970—Decision, May 27, 1970

Consent order requiring a major manufacturer of razor blades with headquarters in Culver City, Calif., to cease misrepresenting the shaving performance of its Schick Krona Chrome razor blades and disparaging the razor blades of any competitor.

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 Eversharp, Inc., a corporation, 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 Eversharp, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 5933 West Slauson Avenue, in the city of Culver City, State of California.

PAR. 2. Respondent now, and for some time past, has been engaged in the manufacture, sale and distribution of a razor blade described as Schick Krona Chrome, which when sold is shipped to purchasers located in various States of the United States. Thus respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade in said razor blades in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 3. Respondent at all times mentioned herein has been and now is in substantial competition in commerce with individuals, firms and corporations engaged in the sale and distribution of razor blades.

PAR. 4. In the course and conduct of its business, and for the purpose of inducing the sale of its said product, respondent employs advertising in national and regional magazines and other publications and on network and local television and through various other outlets including point of sale displays. A major advertising theme employed by respondent consists of a comparison of blade corrosion occurring after five shaves between a Schick Krona blade and a Schick stainless steel blade.

PAR. 5. Typical and illustrative of the advertising referred to in Paragraph Four, but not all inclusive thereof, is the following television commercial. The visual portion of the commercial depicts a photograph of a corroded section of a Schick Super Stainless Steel blade edge and a photograph of a section of a Schick Krona Chrome blade edge, each blade having been subjected to five shaves and each blade section shown having been greatly magnified before photographing. The photographs are placed side by side. The audio portion of the commercial calls on the viewer to compare the two blades and decide which blade he would prefer to shave with, and in addition states that the Schick Krona Chrome blade has an edge so durable it outshaves and outlasts any super stainless blade.

PAR. 6. Through the use of the aforesaid advertising and the statements and representations made in connection therewith, respondent represents, directly or by implication that:

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(1) the stainless steel blade depicted corroded to such an extent during five (5) shaving uses as to materially affect its shaving performance, and

(2) Schick Krona Chrome blades do not corrode during the first five (5) shaving uses and that therefore, their shaving performance during such uses is materially superior to that of stainless steel blades.

PAR. 7. In truth and in fact:

(1) The corrosion that occurred during five (5) shaving uses of the stainless steel blade depicted did not materially affect its shaving performance.

(2) During the first five (5) shaving uses the shaving performance of Schick Krona Chrome blades is not materially superior to that of stainless steel blades.

Therefore, the representation set forth in Paragraph Six hereof were and are false, misleading and deceptive.

PAR. 8. The use by respondent of the aforesaid advertising and the statements and representations made in connection therewith has had, and now has, the tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said advertising and the representations made in connection therewith were and are true, and into the purchase of a substantial quantity of respondent's razor blades because of such erroneous and mistaken belief.

PAR. 9. 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 and deceptive acts and practices and unfair methods of competition in commerce, in violation of Section 5 of the Federal Trade Commission Act.

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

1. Respondent Eversharp, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 5933 West Slauson Avenue, Culver City, California.

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 Eversharp, Inc., a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of Schick Krona Chrome razor blades or any other razor blade in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting the shaving performance of any such product.

2. Disparaging by untruthful statements or any misleading or deceptive method, razor blades competitive with those of respondent Eversharp, Inc.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondent notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondent such as dissolution, assignment or sale, resulting in the emergence of a successor corporation, the creation or dissolution

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of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That respondent shall file a report of compliance with the Commission within sixty (60) days from the date