

THE PAPERCRAFT CORPORATION

MODIFIED ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7 OF THE
CLAYTON ACT

Docket 8779. Complaint, Apr. 10, 1969¹—Modified Order Sept. 9, 1971

Order granting respondent's petition for leave to file a further statement; denying in other respects the petition for reconsideration; denying the petition for reopening and for stay of the effective date of the final order of June 30, 1971; and modifying Paragraph IX of the Commission's final order of June 30, 1971, 78 F.T.C. 1352.

ORDER OF THE COMMISSION RULING ON RESPONDENT'S PETITIONS FOR
RECONSIDERATION, REOPENING, STAY OF FINAL ORDER, AND PETITION
FOR LEAVE

Respondent Papercraft Corporation having filed on August 12, 1971, a Petition for Reconsideration of Paragraph IX of the Commission's final order of June 30, 1971 [78 F.T.C. 1352], or for Reopening under Sections 3.55, 3.71, and 3.72 of the Commission's rules, and for a Stay of the effective date of that final order under Section 3.55; and counsel supporting the complaint having filed its Opposition thereto on August 20, 1971; and respondent Papercraft Corporation

¹ Reported as amended by Hearing Examiner's order of September 9, 1969, by amending the introductory portion of Paragraph 16, 78 F.T.C. 1352, 1355.

having filed on September 2, 1971, a Petition for Leave to file a further pleading in this proceeding; and counsel supporting the complaint having filed its Opposition thereto on September 8, 1971; and

The Commission having determined that respondent's Petition for Leave should be granted and having considered the contents of said further pleading; and

The Commission having determined that respondent's Petition for Reconsideration is addressed solely to a question that was presented in complaint counsel's Proposed Findings of Fact of May 12, 1970 (pp. 60 and 69), and ruled upon by the hearing examiner in his initial decision of July 27, 1970, is not "confined to new questions raised by the decision or final order of the Commission" in its decision or order of June 30, 1971, as required by Section 3.55 of the Commission's rules and therefore should be denied; and

The Commission having determined that respondent's Petition for Reopening and for a Stay of the effective date of the final order should be denied; and

The Commission having determined that Paragraph IX of its order of June 30, 1971, should be revised to make clear that it applies to direct customer accounts of CPS Industries, Inc., and should be modified to apply only to customers sold by CPS during a two (2) year period preceding the acquisition of December 27, 1967, and until divestiture hereunder;

Now therefore, it is ordered, That Papercraft's Petition for Leave to file a further statement be, and it hereby is, granted;

It is further ordered, That Paragraph IX of the Commission's final order of June 30, 1971 [78 F.T.C. 1352, 1396], be, and it hereby is, modified to read as follows:

It is further ordered, That for a period of three (3) years from the date of divestiture the Papercraft Corporation is prohibited from selling any decorative giftwrap products to any direct customer account of CPS Industries, Inc., which at any time during the two (2) years preceding December 27, 1967, and until divestiture is effected hereunder, has been sold any decorative giftwrap products by CPS Industries, Inc., unless such customer account was sold such decorative giftwrap products by the Papercraft Corporation prior to December 27, 1967.

It is further ordered, That respondent's Petition for Reconsideration be, and it hereby is, otherwise denied; and

It is further ordered, That respondent's Petition for Reopening and for Stay of the effective date of the Commission's final order of June 30, 1971, be, and they hereby are, denied.

Complaint

79 F.T.C.

IN THE MATTER OF

GENERAL FOODS CORPORATION, ET AL.

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

Docket C-2038. Complaint, Sept. 13, 1971—Decision, Sept. 13, 1971

Consent order requiring a major food corporation and its advertising agency with headquarters in White Plains, N.Y., to cease representing falsely in connection with selling or distributing "Toast'em Pop-Ups" or any other consumer food product, that such product is a nutritionally sound substitute for a regular meal, and disseminating such representation to induce the purchase of respondent's preparation.

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 General Foods Corporation, a corporation, and Benton & Bowles, Inc., a 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 General Foods Corporation 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 250 North Street, White Plains, New York.

Respondent Benton & Bowles, 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 909 Third Avenue, city of New York, State of New York.

PAR. 2. Respondent General Foods Corporation is now, and for some time last past has been, engaged in the sale and distribution of toaster food designated "Toast'em Pop-Ups" which comes within the classification of a "food," as said term is defined in the Federal Trade Commission Act.

Respondent Benton & Bowles, Inc., is now, and for some time last past, has prepared and caused the dissemination of advertising material, including but not limited to the advertising referred to herein, to promote the sale of General Foods Corporation's "Toast'em Pop-Ups," which comes within the classification of "food" as said term is defined in the Federal Trade Commission Act.