

Complaint

IN THE MATTER OF

PARROTT & COMPANY DOING BUSINESS AS

SASKA-PARROTT SKI COMPANY

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

Docket C-2039. Complaint, Sept. 13, 1971—Decision, Sept. 13, 1971

Consent order requiring a San Francisco, Calif., seller and distributor of Kneissl skis and other merchandise to cease representing falsely that only Kneissl makes fiberglass skis, that any model is constructed entirely of fiberglass when it is not, and representing that no wood is used in such skis whenever such is not the case.

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 Parrott & Company, a corporation, dba Saska-Parrott Ski Company, hereafter 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 is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 550 Montgomery Street, San Francisco, California.

PAR. 2. Respondent is now, and for some time has been, engaged in the business of advertising, offering for sale, sale and distribution of Kneissl skis and other articles of merchandise to the public.

PAR. 3. In the course and conduct of that business, respondent now causes, and for some time has caused, its products, when sold, to be shipped from its place of business in the State of California to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. By and through the use of periodicals, pamphlets, diagrams, cross sections, mock-ups, and other materials, in the course and conduct of its business, and for the purpose of inducing the purchase of Kneissl skis to the exclusion of others, respondent has made numerous statements and representations concerning various objectively determinable characteristics of its skis and competing skis.

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

Not one of those wood-fiberglass, or metal-fiberglass combinations claimed by Kneissl's imitators to be fiberglass skis.

*	*	*	*	*	*	*
Sandwich-hollow	body	construction	of	epoxy	glass-fiber	laminate.
*	*	*	*	*	*	*
The world's greatest	all epoxy	fiberglass	ski.			
*	*	*	*	*	*	*
True Epoxy-Fiberglass	Construction					
*	*	*	*	*	*	*
a pure epoxy	fiberglass	ski				
*	*	*	*	*	*	*
total epoxy	fiberglass	construction.				

PAR. 5. By making the aforementioned statements and representations, respondent represents, and has represented, directly or by implication, that:

(1) Only Kneissl makes, or has made, skis which can be truthfully described as "fiberglass skis" as opposed to "wood-fiberglass skis" or "metal-fiberglass skis."

(2) Various models of Kneissl skis are constructed entirely of fiberglass.

(3) No wood is used in the construction of various models of Kneissl skis.

(4) Various portions of the interior of various models of Kneissl skis are either hollow, or filled with some substance other than wood.

(5) The diagrams, cross sections, and mock-ups used and distributed by respondent accurately reflect the design, construction, and composition of various models of Kneissl skis.

(6) The design, construction, and composition of a given model of Kneissl ski does not vary substantially from ski to ski.

PAR. 6. In truth and in fact:

(1) One or more companies other than Kneissl does make, or has made, skis which can be just as truthfully described as "fiberglass skis" as opposed to "wood-fiberglass skis" or "metal-fiberglass skis," as skis made by Kneissl.

(2) None of the various models of Kneissl skis is constructed entirely of fiberglass.

(3) Wood is used in the construction of most of the various models of Kneissl skis represented as having no wood used in their construction.

(4) Some of the various portions of the various models of Kneissl skis represented as being hollow, or being filled with some substance other than wood, do contain wood.

(5) Many of the diagrams, cross sections, and mock-ups used and circulated by respondent do not accurately reflect the design, construction, and composition of the respective models of Kneissl skis which they are represented as accurately reflecting.

(6) The design, construction, and composition of a given model of Kneissl ski does at times vary substantially from ski to ski.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were and are false and misleading, and the making of said statements and representations constituted, and constitutes, unfair and deceptive acts and practices.

PAR. 7. Respondent is, and has been, making it a practice of performing, and causing to be performed, the unfair and deceptive acts of placing, and causing to be placed, in the hands of dealers, retailers and others the means and instrumentalities by and through which they may perform the unfair and deceptive acts set out above.

PAR. 8. Respondent's use of the aforesaid false and misleading statements and representations, and unfair and deceptive acts and practices has, and has had, the tendency and capacity to mislead and deceive members of the purchasing public into the mistaken belief that said statements and representations are, and were, true, and into the purchase of substantial quantities of respondent's Kneissl skis rather than skis sold in competition with them.

PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, are, and were, all to the prejudice and injury of the public and of respondent's competitors and constitute, and have constituted, 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 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 Consumer Protection 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 Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

(1) Respondent Parrott & Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 550 Montgomery Street, in the city of San Francisco, State of 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 Parrott & Company, a corporation, dba Saska-Parrott Ski Company, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of Kneissl skis or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Making, or causing to be made, directly or by implication, any false or misleading statements or representations concerning any objectively determinable characteristic of Kneissl skis or any other article of merchandise advertised, offered for sale, sold, or distributed by respondent or any article of merchandise advertised, offered for sale, sold, or distributed in competition with respondent's merchandise. This prohibition shall include, but not be limited to, making any statements or representations representing, directly or by implication, that:

(a) Only Kneissl makes, or has made, skis which can be truthfully described as "fiberglass skis" as opposed to "wood-fiberglass skis" or "metal-fiberglass skis."

(b) Any model of Kneissl skis is constructed entirely of fiberglass, whenever said model is not in fact so constructed.

(c) No wood is used in the construction of any model of Kneissl skis whenever such is not the case.

(d) Any portion of the interior of any model of Kneissl skis is either hollow or filled with some substance other than wood, when said area is in fact filled with wood.

(e) Any diagram, cross-section cut, or mock-up used and distributed by respondent accurately reflects the design, construction or composition of any model of Kneissl skis whenever said diagram, cross-section cut, or mock-up does not accurately reflect the design, construction, or composition of the respective model of Kneissl skis which it is represented as accurately reflecting.

(f) The design, construction, or composition of a given model of Kneissl ski does not vary substantially from ski to ski when such is not the case.

(2) Placing, or causing to be placed, in the hands of others any pamphlets, diagrams, cross-sections, mock-ups or other means and instrumentalities by and through which they may perform any of the acts prohibited in (1) above.

It is further ordered, That respondent notify the Commission at least thirty 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 of subsidiaries or any other change in the corporation which may effect compliance obligations arising out of this order.

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

It is further ordered, That respondent deliver a copy of this order to cease and desist to all present and future personnel of respondent engaged in the offering for sale or sale of any product or engaged in any aspect of the preparation, creation, or placing of advertising, and that respondent secure a signed statement acknowledging receipt of said order from each such person.

It is further ordered, That respondent distribute a copy of this order to each advertising agent or agency and media representative with which it does business, directly or indirectly, and shall do likewise with any such person or organization with which it does business in the future immediately upon beginning such undertaking.

It is further ordered, That respondent distribute a copy of this order to each of its dealers, retailers, and other similar parties, which

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handles Kneissl skis. Included with said copy will be a cover letter instructing said parties to abide by the provisions of the order and to discontinue the use of all advertising, sales, and promotional material furnished them by respondent prior to July 1, 1970.

It is further ordered, That the respondent herein shall within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.