
IN THE MATTER OF
ECOLOGY CORPORATION OF AMERICA, ET AL.

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

Docket C-2179. Complaint, March 30, 1972—Decision, March 30, 1972.

Consent order requiring two Paterson, N.J., corporations selling and distributing Ecolo-G detergent and their New York City advertising agency to cease misrepresenting that their detergent is safe and not hazardous, that no special precautions need be taken when using the detergent, and misrepresenting that any municipal, state or federal agency has approved the label or any feature of their product.

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 the Ecology Corporation of America, a corporation, North American Chemical Corporation, a corporation, and Venet Advertising 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 Ecology Corporation of America is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 178 Keen Street, in the city of Paterson, State of New Jersey.

Respondent North American Chemical Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 178 Keen Street, in the city of Paterson, State of New Jersey.

Respondent Venet Advertising Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 820 Second Avenue, in the city of New York, State of New York.

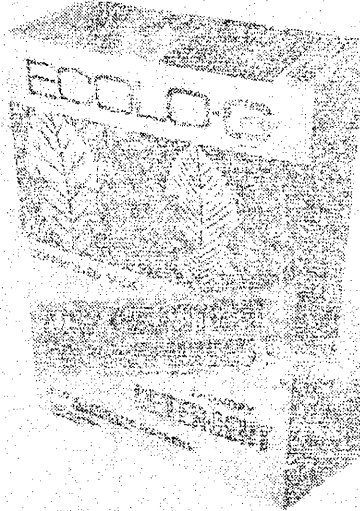
PAR. 2. Respondents Ecology Corporation and North American, now and for some time last past, have been engaged in the manufacture, sale and distribution of Ecolo-G detergent, which when sold is shipped to purchasers located in various states of the United States. Thus respondents Ecology Corporation and North American maintain, and at all times mentioned herein have maintained, a substantial course of trade in said detergent in commerce, as "commerce" is defined in the Federal Trade Commission Act.

Respondent Venet Advertising Inc., now and for some time last past, has been the advertising agency for Ecology Corporation and North American, and now and for some time last past, has prepared and placed for publication advertising material, including but not limited to the advertising referred to herein, to promote the sale of Ecology Corporation's and North American's Ecolo-G detergent.

PAR. 3. Respondents Ecology Corporation and North American at all times mentioned herein have been, and now are, in substantial competition in commerce, as "commerce" is defined in the Federal Trade Commission Act, with individuals, firms and corporations engaged in the sale and distribution of detergents of the same general kind and nature as that sold by respondents Ecology Corporation and North American.

PAR. 4. In the course and conduct of their business and for the purpose of inducing the sale of the said Ecolo-G detergent, respondents caused an advertisement to be published in 48 newspapers in various states of the United States. A copy of the aforesaid advertisement follows:

Not only is Ecolo-G[®]
safe for the environment,
it's safe for all your family wash.
Even baby's diapers.



Ecolo-G label unconditionally approved throughout the U.S.A.

Ecolo-G detergents. No question about it. Whichever. Resonance and Soil Removal tests have proved it.

What Ecolo-G doesn't do is pollute. It has no phosphates to pollute water and leave "green scum" on your clothes. It has no enzymes, no irritants, is safe for NYA... all of which have been proved in tests.

Ecolo-G is formulated to work in cold, hot, hard, soft, cold or hot and save clothes, drains, sewers or septic tanks. And we make all these statements with a money-back guarantee.

So you see, you risk nothing when you try Ecolo-G. Not even your purchase price. And you have a lot of good things to gain.

Save 30¢

ON PURCHASE OF
10 lb. or 20 lb. size
Ecolo-G
laundry detergent

STARS COUPON



30¢

ECOLO-G CORPORATION OF AMERICA PATERSON, N.J. 07650

ECG-001A
600 lines resolution
Designed by
Verne Advertising Inc.

PAR. 5. Through the use of the aforesaid advertisement, respondents represent directly or by implication that:

1. Ecolo-G is safe and in no way hazardous,
2. No special precautions to avoid harm need be taken when using Ecolo-G,
3. The Ecolo-G label has been approved by an agency of the United States Government which has the authority to approve or disapprove detergent labels,
4. The Ecolo-G label as depicted in said advertisement is an accurate reproduction of the Ecolo-G label which has been approved, and
5. The Ecolo-G label, including the phrase "Stop Pollution," has been approved by an agency of the United States Government which has found that Ecolo-G is helpful in stopping water pollution.

PAR. 6. In truth and in fact:

1. Ecolo-G is a hazardous substance, within the meaning of that term as used in the Federal Hazardous Substances Act,
2. To avoid harm when using Ecolo-G, the user should take special precautions to avoid swallowing the product and to prevent its coming in contact with the eyes and skin,
3. The Ecolo-G label has not been approved by an agency of the United States Government which has the authority to approve or disapprove detergent labels, but Ecolo-G is required by the Food and Drug Administration under the Federal Hazardous Substances Act to prominently display on its packages cautionary labeling which sets forth the hazards involved in the use of the product,
4. The Ecolo-G label in said advertisement as depicted does not show clearly and conspicuously the cautionary labeling which is required by the Food and Drug Administration under the Federal Hazardous Substances Act and which sets forth the hazards involved in the use of the product, and
5. The Ecolo-G label, including the phrase "Stop Pollution," has not been approved by any agency of the United States Government which has found that Ecolo-G is helpful in stopping water pollution.

Therefore, the aforesaid advertisement referred to in Paragraphs Four and Five above is false, misleading and deceptive.

PAR. 7. The use by the respondents of the aforesaid false, misleading and deceptive advertising and representations used 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 repre-

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sentations were and are true, and into the purchase of a substantial quantity of respondents Ecology Corporation's and North American's detergent because of such erroneous and mistaken beliefs.

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 Ecology Corporation's and North American's competitors, 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.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption herein, and the respondents 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 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 Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed agreement, placed such agreement on the public record for a period of thirty (30) days, and received and considered comments, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission thereby issues its complaint, makes the following jurisdictional findings, and enters the following order.

1. Respondent Ecology Corporation of America, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 178 Keen Street, Paterson, New Jersey.

Respondent North American Chemical Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 820 Second Avenue, New York, New York.

Respondent Venet Advertising Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 820 Second Avenue, New York, New York.

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

I

It is ordered, That respondent Ecology Corporation of America, a corporation, its officers, representatives, agents, employees, successors and assigns and respondent North American Chemical Corporation, a corporation, its officers, representatives, agents, employees, successors and assigns directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of Ecolo-G detergent or any other consumer product in commerce, as "commerce" is defined in the Federal Trade Commission Act, forthwith cease and desist from:

1. Representing, directly or by implication, that Ecolo-G, or any other such product which is a hazardous substance within the meaning of that term as used in the Federal Hazardous Substances Act, is safe and not hazardous,

2. Representing, directly or by implication, that no special precautions to avoid harm need be taken when using Ecolo-G, or any other product which is a hazardous substance within the meaning of that term as used in the Federal Hazardous Substances Act, and

3. Representing in any manner that the United States Government, or any agency thereof, or any state, municipal or local government, or any agency thereof, has approved the label of such product, or any part thereof, or has approved any feature of such product.

II

It is ordered, That respondent Venet Advertising Inc., a corporation, its officers, representatives, agents, employees, successors and

assigns, directly or through any corporate or other device, in connection with the advertising, created and prepared by respondent, for Ecolo-G detergent or any other home laundry products used in the cleaning of clothing in commerce, as "commerce" is defined in the Federal Trade Commission Act, forthwith cease and desist from:

1. Representing, directly or by implication, that Ecolo-G, or any other such product which is a hazardous substance within the meaning of that term as used in the Federal Hazardous Substances Act, is safe and not hazardous,
2. Representing, directly or by implication, that no special precautions to avoid harm need be taken when using Ecolo-G, or any other product which is a hazardous substance within the meaning of that term as used in the Federal Hazardous Substances Act, and
3. Representing in any manner that the United States Government, or any agency thereof, or any state, municipal or local government, or any agency thereof, has approved the label of such product, or any part thereof, or has approved any feature of such product.

III

It is further ordered, That respondents Ecology Corporation of America and North American Chemical Corporation forthwith cease and desist from disseminating any advertisement for Ecolo-G detergent unless the cautionary statements required by the Food and Drug Administration under the Federal Hazardous Substances Act are clearly and conspicuously disclosed in such advertisement.

IV

It is further ordered, That all respondent corporations shall forthwith distribute a copy of this order to each of their operating divisions.

It is further ordered, That each 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 of subsidiaries or any other changes in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That each respondent, within sixty (60) days after service upon it of this order, file with the Commission a written report setting forth in detail the manner and form of its compliance with the order.

Complaint

IN THE MATTER OF

LORILLARD, DOCKET NO. C-2180
PHILIP MORRIS INC., DOCKET NO. C-2181
AMERICAN BRANDS, INC., DOCKET NO. C-2182
BROWN AND WILLIAMSON TOBACCO CORPORATION,
DOCKET NO. C-2183
R. J. REYNOLDS TOBACCO COMPANY, DOCKET NO. C-2184
LIGGETT & MYERS INCORPORATED, DOCKET NO. C-2185

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

Complaints, Mar. 30, 1972—Decisions, Mar. 30, 1972

Consent orders requiring six major cigarette manufacturers and distributors to include in all their cigarette advertisements a clear and conspicuous disclosure of the statement: "Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous To Your Health." The orders further provide the manner in which the statement shall be presented in newspapers, magazines, and other periodical advertising, on billboards, on all point-of-sale promotional materials, and on all point-of-sale materials. The orders are not applicable to signs on factories, plants and warehouses, in financial reports, and in trade publications not circulating to consumers.

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 Lorillard, a Division of Loew's Theatres, Inc., Philip Morris Inc., a corporation, American Brands, Inc., a corporation, Brown and Williamson Tobacco Corporation, a corporation, R. J. Reynolds Tobacco Company, a corporation, and Liggett & Myers Incorporated, a corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that proceedings by it in respect thereof would be in the public interest, hereby issues its complaints stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Lorillard, a Division of Loew's Theatres, Inc., a corporation, 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 200 East 42nd Street, in the city of New York, State of New York.

Respondent Philip Morris Inc., a corporation, is a corporation organized, existing and doing business under and by virtue of the