

In the circumstances, the Commission has determined to grant Fram's application for consent to sell the described assets. Accordingly,

It is ordered, That respondent Fram be, and it hereby is, granted consent to the sale of the assets of its Industrial Fabricating Division.

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

Docket 8838. Complaint, March 12, 1971—Decision, Jan. 9, 1973.

Consent order requiring a New York City distributor and seller of razor blades, among other things to cease distributing razor blades attached to, inserted in or included with other products which are unsolicited and sent or distributed to recipient's home or distributed or sold to retailers for resale to customers unless accompanied with a clear and conspicuous disclosure that a razor blade is present; distributing razor blades which are unsolicited without "special packaging."

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 Philip Morris, Incorporated, 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. Philip Morris, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its principal office and place of business located at 100 Park Avenue in the city of New York, State of New York.

PAR. 2. Respondent is now, and for some time last past, through its American Safety Razor Company, a division of respondent, has been, engaged in the advertising, offering for sale, sale and distribution of razor blades to distributors and jobbers, to retailers for resale to the public, and to the public.

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

PAR. 4. In the course and conduct of its aforesaid business, and for the purpose of inducing the purchase of its razor blades, respondent is causing and has caused the distribution of sample razor blades directly to members of the general public by means of home-delivered newspapers in various cities throughout the United States. The distribution of the razor blades as aforesaid constitutes a hazard to the health and safety of persons engaged in the distribution of newspapers and persons receiving such newspapers in their houses, particularly young children, and also to family pets.

PAR. 5. In the course and conduct of its aforesaid business, and at all times mentioned herein, respondent has been, and now is, in substantial competition, in commerce, with corporations, firms and individuals in the sale of razor blades of the same general nature and kind as sold by respondent.

PAR. 6. The aforesaid act and practice, as herein alleged, was and is to the prejudice and injury of the public and of respondent's competitors and did constitute, and now constitutes, an unfair method of competition in commerce and an unfair and deceptive act and practice in commerce in violation of Section 5 of the Federal Trade Commission Act.

STATEMENT

BY JONES, *Commissioner*:

I think it is too bad that such a gross disregard of the public welfare should be resolved by such a minimal consent order the prohibitions of which are limited to the precise dimensions of

the law violation charged here. This order leaves the public essentially unprotected from any future actions of this respondent involving a similar lack of foresight of the hazards flowing to the public from its promotional efforts.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereto with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent 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 complaint to issue herein, 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 considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed 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 in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Philip Morris, Incorporated, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its principal office and place of business located at 100 Park Avenue, New York, New York.

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 Philip Morris, Incorporated, a corporation, its successors and assigns, and its officers, agents

and employees, directly or through any corporation, subsidiary, division or other device, in connection with the offering for sale, sale or distribution of razor blades in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Distributing or causing distribution of razor blades attached to, inserted in, or included with other products by respondent which are:

(a) Unsolicited by recipient and sent or delivered to recipient's home, or

(b) Distributed or sold to retailers for resale to consumers;

unless there is a clear and conspicuous disclosure that there is a razor blade present.

2. Distributing or causing the distribution of razor blades which are unsolicited by recipient and sent or delivered to recipient's home without special packaging. For purposes of this order, the term "special packaging" means packaging that is designed or constructed to be significantly difficult for children under six years of age to open within a reasonable time although not difficult for adults to open, but does not mean packaging which all such children cannot open within a reasonable time.

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

It is further ordered, That respondent notify the Commission at the time of 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 affect compliance obligations arising out of the order.

Commissioner Jones dissenting.

Complaint

82 F.T.C.

IN THE MATTER OF
SPIEGEL, INC.*ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT*Docket 8869. Complaint, Nov. 8, 1971—Decision, Jan. 9, 1973.*

Order requiring a Chicago, Illinois, catalog retailer, among other things to cease representing free trial offers, percentage savings, or reductions in price to prospective and established credit customers without stating in immediate conjunction therewith, any conditions or restrictions; failing to disclose that savings offers are only offered on condition of approved credit.

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 Spiegel, 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 Spiegel, 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 2511 West 23rd Street, Chicago, Illinois.

PAR. 2. Respondent is a catalog retailer and is now, and for some time last past has been, engaged in the advertising, offering for sale, sale and distribution of clothing, household appliances, kitchenware, bedding, furniture, radios, luggage, tools, tires and various other articles of merchandise.

PAR. 3. In the course and conduct of its business, respondent now causes, and for some time last past has caused, its said products, when sold, to be shipped from its place of business in the State of Illinois to purchasers thereof located in various other states of the United States and the District of Columbia, 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.

*Petition for Review was filed on March 12, 1973 in the Court of Appeals for the Seventh Circuit.