

IN THE MATTER OF
BRIDGESTONE TIRE COMPANY OF AMERICA, INC.

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

Docket C-2734. Complaint, Sept. 30, 1975-Decision, Sept. 30, 1975

Consent order requiring a Torrance, Calif., distributor and seller of tires, among other things to cease misrepresenting the safety or performance characteristics of any automobile tires, and misrepresenting any generalized safety claims. Further, the respondent is required to have a "reasonable basis" in substantiation of claims regarding the safety performance characteristics of "any product."

Appearances

For the Commission: *Bruce J. Parker.*

For the respondents: *Anthony Liebig, Lillick, McHose & Charles,*
Los Angeles, Calif.

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 Bridgestone Tire Company of America, 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 Bridgestone Tire Company of America, Inc. is a corporation, organized, existing and doing business under and by virtue of the laws of the State of California with its principal offices and place of business located at 2160 W. 190th St., Torrance, Calif.

PAR. 2. Respondent Bridgestone Tire Company of America, Inc., is now, and for some time last past has been, engaged in the distribution, sale, and advertising of various rubber products including automobile tires.

PAR. 3. Respondent Bridgestone Tire Company of America, Inc., causes the said products, when sold, to be transported from its place of business in various States of the United States to purchasers located in various other States of the United States and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said products in or affecting commerce. The volume of business in such commerce has been and is substantial.

PAR. 4. In the course and conduct of its said business respondent has disseminated and caused the dissemination of advertisements concerning the aforementioned products including automobile tires in or affecting commerce by means of advertisements printed in magazines and newspapers distributed by the mail and across State lines and transmitted by television and radio stations located in various States of the United States and in the District of Columbia, having sufficient power to carry such broadcasts across State lines, for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of said products including automobile tires.

PAR. 5. Among the advertisements so disseminated or caused to be disseminated by respondent is a print advertisement attached as Exhibit A.

PAR. 6. Through the use of the aforesaid statements and representations made in Exhibit A, respondent represented and is now representing, directly or by implication, that the RD-170V steel-belted radial tire is the best radial tire in America.

PAR. 7. At the time respondent made the representation as alleged in Paragraph Six, respondent did not possess and rely on a reasonable basis consisting of competent scientific tests which demonstrate that the RD-170V steel-belted radial tire is superior in terms of overall performance to all other radial tires in America. Therefore, the making of said representation as alleged in Paragraph Six constituted, and now constitutes, an unfair and deceptive act or practice in and affecting commerce.

PAR. 8. Further, through the use of the aforesaid statements and

representations made in Exhibit A, respondent represented and is now representing, directly or by implication, that the RD-170V steel-belted radial tire is superior to all other radial tires in America with respect to the following characteristics:

1. Puncture protection;
2. Cornering and stopping; and
3. Gas mileage.

PAR. 9. Further, through the use of the aforesaid statements and representations made in Exhibit A respondent represented and is now representing, directly or by implication, that the RD-170V steel-belted radial tire provides a degree of long-run security and comfort that is rare in all other radial tires in America.

PAR. 10. At the time respondent made the statements and representations as alleged in Paragraphs Eight and Nine, respondent did not possess and rely on a reasonable basis consisting of competent scientific tests for making said statements and representations. Therefore, the making of said statements and representations as herein alleged constituted, and now constitute, unfair and deceptive acts or practices in or affecting commerce.

PAR. 11. In the course and conduct of the aforesaid business, and at all times mentioned herein, respondent Bridgestone U.S.A. has been and now is in substantial competition in or affecting commerce with corporations, firms, and individuals engaged in the sale and distribution of automobile tires of the same general kind and nature as that sold by respondent.

PAR. 12. The use by respondent of the aforesaid false, misleading, deceptive or unfair statements and representations as alleged herein has had, and now has the capacity and tendency to mislead members of the consuming public into the purchase of substantial quantities of the RD-170V steel-belted radial tire sold and distributed by respondent Bridgestone Tire Company of America, Inc. Further, as a result thereof, substantial trade is being unfairly diverted to respondent Bridgestone Tire Company of America, Inc., from its competitors.

PAR. 13. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent Bridgestone Tire Company of America Inc.'s competitors, and constituted and now constitute, unfair and deceptive acts or practices and unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act.

Complaint

86 F.T.C.

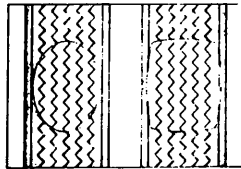
The best radial tire in America?

EXHIBIT A

Now that radial rather than ordinary bias ply tires are becoming the safer-driving standard for thoughtful motorists, just what does it take to be tops in this radial revolution?

Among other things, superior wear—up to 40,000 miles or better. First rate puncture protection. Superior cornering and stopping. A quiet, comfortable ride and noticeably better gas mileage. And a price that keeps the cost a tire mile down in the mini-digits.

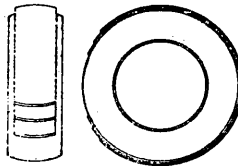
Bridgestone designed its RD-170V steel belted radial to meet all these requirements.



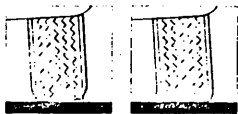
In our research laboratories, we found the right rubber compounds and tread to guarantee 40,000 easy-riding miles with a good

grip on all kinds of pavement. Then Bridgestone built a special radial tire factory.

For puncture protection we incorporated three steel belts (from our own steel cord



plant) instead of the usual two. They girdle the tire, hold the tread traction-firm and reduce tread-wearing squirm.



Additional fabric plies running straight across the



The time-honored quality tire.

bead at a 90 degree angle work in parallel to permit maximum flexing without sawing or grinding.

Bridgestone's special combination of resilient fabric plies with girdling steel belts provides a rare degree of long-run security and comfort.

Among 3,200 types of Bridgestone tires do we build the best radial in America? You be the judge. Visit your Bridgestone dealer today.



Check the Yellow Pages for your local Bridgestone Tire Dealer.

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 proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violations 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 such 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 sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Bridgestone Tire Company of America, Inc., is a corporation, organized, existing and doing business under and by virtue of the laws of the State of California with its principal offices and place of business located at 2160 W. 190th St., Torrance, Calif.
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

I

It is ordered, That respondent Bridgestone Tire Company of America, Inc., a corporation, its successors and assigns, officers, representatives, agents, employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of any product in or affecting commerce as

"commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that any automobile tire has any safety or performance characteristic or is superior in quality or performance to other tires, either overall or with respect to any such characteristic, unless at the time such representation is first disseminated, the representation is fully and completely substantiated by competent scientific tests and respondent has relied upon such tests. *Provided, furthermore,* That with respect to any representation concerning the safety of automobile tires which representation is not expressly limited to a specific safety characteristic(s) the basis for such a representation shall include, at the minimum, tests for the following characteristics: (a) stopping; (b) cornering; (c) puncture protection; and (d) high speed performance.

2. Failing to provide for the maintenance of, in conjunction with Paragraph One of this order, the results of each test, the original test data collected in the course of each test, and a detailed description of how the test was performed, all of which shall be available in written form for inspection, upon reasonable notice, for at least three years following the final use of the representation.

3. Making any representation, directly or by implication, regarding the safety or performance characteristics of any product, unless at the time such representation is first disseminated there exists a reasonable basis for such representation and respondent relies upon such basis. *Provided, however,* That with respect to automobile tires, the only reasonable basis for such a representation shall be competent scientific tests as specified in Paragraph One of this order.

4. Failing to provide for the maintenance of, in conjunction with Paragraph Three of this order, all documentation in substantiation of any representation in advertising disseminated, by respondent, all of which shall be available in written form for inspection upon reasonable notice, for at least three years following the final use of the representation.

II

It is further ordered, That for the purpose of Paragraph One of Part I of this order:

1. A claim of "security" shall be construed as a safety claim.
2. A representation as to the quality or performance characteristics of any automobile tire implies that it is superior in quality or performance to any other automobile tire or all other automobile tires if it is phrased in the comparative or superlative degree, or if any

advertising containing such representation conveys a net impression of comparative superiority.

III

It is further ordered, That respondent Bridgestone Tire Company of America, Inc., shall forthwith deliver a copy of this order to each of its operating departments, divisions, and subsidiaries engaged in the advertising, offering for sale, sale, or distribution to the public at retail of automobile tires and to the manager of each present and every future retail outlet owned and operated by said respondent.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change 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 that may affect the compliance obligations arising out of the order.

It is further ordered, That respondent 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 the order to cease and desist.
