

FEDERAL TRADE COMMISSION DECISIONS

Findings, Opinions and Orders

IN THE MATTER OF

REVLON, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SECS. 5 AND 12 OF THE FEDERAL TRADE COMMISSION ACT

Dockets C-2868 and C-2869. Complaints, Jan. 3, 1977 — Decisions, Jan. 3, 1977

Consent order requiring a New York City manufacturer, seller and distributor of cosmetics and ethical drugs, and its Cincinnati, Ohio, and Chicago, Ill., subsidiaries, among other things, to cease misrepresenting the safety, efficacy and content of hair straightening products and making unsubstantiated product claims. Further, the order requires respondents to make specific warning disclosures in advertising and on package labeling and requires the destruction of all displays and packaging which does not include the appropriate warning disclosures.

Appearances

For the Commission: *Sharon S. Armstrong.*

For the respondents: *Sidney S. Rosdeitcher, Paul, Weiss, Rifkind, Wharton & Garrison, New York City.*

COMPLAINT AS TO REVLON, INC., DOCKET C-2868

The Federal Trade Commission, having reason to believe that Revlon, Inc. and Revlon-Realistic Professional Products, Inc., corporations, hereinafter sometimes referred to as respondents, have violated Sections 5 and 12 of the Federal Trade Commission Act, as amended, and that a proceeding in respect thereof would be in the public interest, hereby issues this complaint stating its charges as follows:

PARAGRAPH 1. Respondent Revlon, Inc. (Revlon) is a Delaware corporation with its office and principal place of business located at 767 Fifth Ave., New York, New York.

Respondent Revlon-Realistic Professional Products, Inc. (Realistic) is an Ohio corporation with its offices and principal place of business located at 3274 Beekman St., Cincinnati, Ohio.

All allegations in this complaint stated in the present tense include the past tense.

PAR. 2. Respondent Revlon manufactures, advertises, offers for sale, sells and distributes cosmetics and ethical drugs. It controls the

business operations and policies of Realistic, its wholly-owned subsidiary, and is responsible for the acts and practices of Realistic.

Respondent Realistic, a wholly-owned subsidiary of respondent Revlon, manufactures, advertises, offers for sale, sells and distributes Revlon Realistic Protein Permanent Creme Relaxer (Realistic Relaxer), a cosmetic, as that term is defined in the Federal Trade Commission Act, as amended. Realistic relaxer is an emulsion which contains as its active ingredient sodium hydroxide, commonly known as lye. The emulsion is applied to the hair, rinsed from the hair, and neutralized with a shampoo. Realistic relaxer is sold separately and in kits with shampoo. Realistic relaxer is used by professional beauticians for the purpose of straightening curly hair.

PAR. 3. Revlon, through its wholly-owned subsidiary Realistic, and Realistic, cause Realistic relaxer, when sold, to be sent from Realistic's place of business in Ohio to beauty salons and other purchasers located in various other States of the United States and the District of Columbia. Thus, Revlon and Realistic maintain a substantial course of trade in said product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended.

PAR. 4. In the course and conduct of their business, respondents disseminate and cause to be disseminated certain advertisements concerning Realistic relaxer (1) by United States mail, magazines of interstate circulation and by various other means in or having an effect upon commerce, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of Realistic relaxer; (2) by various means, for the purpose of inducing, or which are likely to induce, the purchase in or having an effect upon commerce of Realistic relaxer, as "commerce" is defined in the Federal Trade Commission Act, as amended.

PAR. 5. Typical and illustrative of the statements and representations made in respondents' advertisements, but not all inclusive thereof, are the following:

Mild and safe.

It contains protein protectors to help prevent scalp irritation, cuticle and unnecessary hair damage.

Our exclusive Protein Formula actually helps restore lost protein and helps strengthen hair.

It has a special proteinized creme formula that achieves permanent hair relaxation and helps protect the condition of your hair.

Built in organic protein conditioning enrichens and silkens hair like never before.

PAR. 6. Through the use of the above-quoted statements and representations, and others of similar import and meaning not expressly set forth herein, respondents represent, directly or by implication, that:

- A. Realistic relaxer is safe and is mild to scalp and skin.
- B. Realistic relaxer helps strengthen hair.
- C. Realistic relaxer contains protein which
 - 1. helps prevent scalp irritation; and
 - 2. helps prevent hair damage.

PAR. 7. In truth and in fact:

A. Realistic relaxer is not safe nor is it mild to scalp and skin. Sodium hydroxide, the active ingredient in Realistic relaxer, is a primary skin irritant. It is caustic to skin and breaks down the cells which form the epidermis. Realistic relaxer in some instances causes skin and scalp irritation and burns. It can also cause eye irritation and may impair vision temporarily.

B. Realistic relaxer does not strengthen hair. The sodium hydroxide in Realistic relaxer straightens hair by breaking down the cells of the hair shaft. The relaxing process weakens hair, and, in some instances, makes it brittle and causes partial or total hair loss.

C. Realistic relaxer does not contain protein to help prevent scalp irritation or hair damage. The ingredient used is Maypon 4c, a detergent derived from protein which has been altered so that it no longer retains the chemical or physical properties of protein. Therefore, at the time the relaxer is used, it contains no protein to help prevent scalp irritation or hair damage.

Therefore, the advertisements, statements and representations referred to in Paragraphs Five and Six are misleading in material respects and constitute "false advertisements" as that term is defined in the Federal Trade Commission Act, as amended, and are false, misleading and deceptive.

PAR. 8. At the time the representations set forth in Paragraph Six were made, respondents had no reasonable basis from which to conclude that such representations were true. Therefore, the advertisements and representations set forth in Paragraphs Five and Six are deceptive and unfair.

PAR. 9. Respondents advertise Realistic relaxer without disclosing that:

- A. Realistic relaxer can cause skin and scalp irritation, hair breakage and eye injury.
- B. Directions must be followed carefully.

Such facts are material and, if known to potential customers who a

professional beauticians, would be likely to affect their decision to purchase Realistic relaxer for professional use. Similarly, such facts, if known to potential customers who purchase hair straightening services from professional beauticians, would be likely to affect their decision to have their hair straightened with Realistic relaxer.

Therefore, respondents' advertisements of said product are misleading in material respects and constitute "false advertisements" as that term is defined in the Federal Trade Commission Act, as amended, and are false, misleading and deceptive.

PAR. 10. In the further course and conduct of their business, respondents Revlon and Realistic utilize the product name "Revlon Realistic Protein Creme Relaxer." The use of said product name has the tendency and capacity to lead potential purchasers to believe such relaxer contains protein at the time the relaxer is applied to the hair.

In truth and in fact, the ingredient used is Maypon 4c, a detergent derived from protein which has been altered so that it no longer retains the chemical or physical properties of protein. Therefore, said respondents' use of the word "protein" in their product name is deceptive and unfair.

PAR. 11. In the further course and conduct of their business, respondents offer for sale, sell and distribute Realistic relaxer without disclosing on the retail product package of said product the following information:

A. The product contains sodium hydroxide (lye). It can cause skin and scalp burns, hair loss, and eye injury. Directions must be followed carefully.

B. The product should not be used if scalp is irritated or injured.

C. The product should not be used on bleached or permanently colored hair. If hair has been relaxed, the relaxer should be applied only to new growth, as described in the directions.

D. If the relaxer causes skin or scalp irritation, it should be rinsed out immediately and washed with a shampoo in the kit. If irritation persists, a physician should be consulted.

E. If the relaxer gets into eyes, eyes should be rinsed immediately and a physician should be consulted.

Such facts are material and, if known to potential customers who are professional beauticians, would be likely to affect their decision to purchase Realistic relaxer for professional use. Therefore, failure to disclose said material facts on the product package is an unfair and deceptive act or practice.

PAR. 12. The use by respondents of the aforesaid false, misleading

and deceptive and unfair statements, representations, acts and practices and the dissemination of the aforesaid "false advertisements" has the capacity and tendency to mislead members of the consuming public and professional beauticians into the erroneous and mistaken belief that said statements and representations are true, and into the purchase of substantial quantities of Realistic relaxer by reason of said erroneous and mistaken belief.

PAR. 13. In the course and conduct of their business, respondents are in substantial competition in or affecting commerce with corporations, firms and individuals engaged in the sale of products of the same general kind and nature as sold by respondents.

PAR. 14. The aforesaid acts and practices of respondents, including the dissemination of "false advertisements," are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts or practices in or affecting commerce and unfair methods of competition in or affecting commerce in violation of Sections 5 and 12 of the Federal Trade Commission Act, as amended.

COMPLAINT AS TO DELUXOL LABORATORIES, INC.,
DOCKET C-2869

The Federal Trade Commission, having reason to believe that Deluxol Laboratories, Inc. and Revlon, Inc., corporations, hereinafter sometimes referred to as respondents, have violated Sections 5 and 12 of the Federal Trade Commission Act, as amended, and that a proceeding in respect thereof would be in the public interest, hereby issues this complaint stating its charges as follows:

PARAGRAPH 1. Respondent Deluxol Laboratories, Inc. (Deluxol) is an Illinois corporation with its office and principal place of business located at 1130 E. 95th St., Chicago, Illinois.

Respondent Revlon, Inc. (Revlon) is a Delaware corporation with its office and principal place of business located at 767 Fifth Ave., New York, New York.

All allegations in this complaint stated in the present tense include the past tense.

PAR. 2. Respondent Deluxol, a wholly-owned subsidiary of respondent Revlon, manufactures, advertises, offers for sale, sells and distributes French Perm Creme Hair Relaxer (French Perm), a cosmetic, as that term is defined in the Federal Trade Commission Act, as amended. French Perm is an emulsion which contains as its active ingredient sodium hydroxide, commonly known as lye. The emulsion is applied to the hair, rinsed from the hair, and neutralized with a shampoo. French Perm is sold separately and in kits with

shampoo and setting lotion. French Perm is used by consumers and professional beauticians for the purpose of straightening curly hair.

Respondent Revlon manufactures, advertises, offers for sale, sells and distributes cosmetics and ethical drugs. It controls the business operations and policies of Deluxol, its wholly-owned subsidiary, and is responsible for the acts and practices of Deluxol.

PAR. 3. Revlon, through its wholly-owned subsidiary Deluxol, and Deluxol, cause French Perm, when sold, to be sent from Deluxol's place of business in Illinois to beauty salons and other purchasers located in various other States of the United States and the District of Columbia. Thus, Revlon and Deluxol maintain a substantial course of trade in said product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended.

PAR. 4. In the course and conduct of their business, respondents disseminate and cause to be disseminated certain advertisements concerning French Perm (1) by United States mail, magazines of interstate circulation and by various other means in or having an effect upon commerce, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of French Perm; (2) by various means, for the purpose of inducing, or which are likely to induce, the purchase in or having an effect upon commerce of French Perm, as "commerce" is defined in the Federal Trade Commission Act, as amended.

PAR. 5. Typical and illustrative of the statements and representations made in respondents' advertisements, but not all inclusive thereof, are the following:

Why has French Perm been the standard of excellence in Salon Hair Relaxers since 1962? The secret is its special *buffering ingredients* that provide three superior processing advantages. (1) Gets the right working speed for efficiency, control and confidence — not too fast, not too slow. (2) Its *buffered action* pampers the hair shaft during processing. It's blended with protein and other mellowing ingredients to leave hair feeling like *hair*: lively, soft and shining! (3) Allows exceptional patron comfort. (Hurray!)

PAR. 6. Respondents further promote the sale of French Perm through statements and representations made by various other means, including labeling. Typical and illustrative of the statements and representations made in respondents' labeling, but not all inclusive thereof, are the following:

Contains protein for superior hair condition.

You'll love its gentle "buffered action" that leaves hair lively, gleaming, easy to style.

No burn.

So gentle, needs no protective base!

PAR. 7. Through the use of the above-quoted statements and representations, and others of similar import and meaning not expressly set forth herein, respondents represent, directly or by implication, that:

A. French Perm is gentle and does not irritate or burn scalp or skin.

B. French Perm contains protein which protects hair during the relaxing process and which produces superior hair condition.

PAR. 8. In truth and in fact:

A. French Perm is not gentle, and in some instances it causes scalp and skin irritation and burns. Sodium hydroxide, the active ingredient in French Perm, is a primary skin irritant. It is caustic to skin and breaks down the cells which form the epidermis. It can also cause eye irritation and may impair vision temporarily.

B. French Perm does not contain protein which protects hair or produces superior hair condition. The ingredient used is Maypon 4c, a detergent derived from protein which has been altered so that it no longer retains the chemical or physical properties of protein. Therefore, at the time the relaxer is used, it contains no protein to protect hair or produce superior hair condition.

Furthermore, the sodium hydroxide in French Perm straightens hair by breaking down the cells of the hair shaft. The relaxing process weakens hair, and, in some instances, makes it brittle and causes partial or total hair loss.

Therefore, the advertisements, statements and representations referred to in Paragraphs Five and Seven are misleading in material respects and constitute "false advertisements" as that term is defined in the Federal Trade Commission Act, as amended. The advertisements, statements and representations referred to in Paragraphs Five, Six and Seven are false, misleading and deceptive.

PAR. 9. At the time the representations set forth in Paragraph Seven were made, respondents had no reasonable basis from which to conclude that such representations were true. Therefore, the advertisements and representations set forth in Paragraphs Five, Six and Seven are deceptive and unfair.

PAR. 10. Respondents advertise French Perm without disclosing that:

A. French Perm can cause skin and scalp irritation, hair breakage and eye injury.

B. Directions must be followed carefully.

Such facts are material and, if known to potential customers, would be likely to affect their decision to purchase French Perm. Similarly, such facts, if known to potential customers who purchase hair straightening services from professional beauticians, would be likely to affect their decision to have their hair straightened with French Perm.

Therefore, respondents' advertisements of said product are misleading in material respects and constitute "false advertisements" as that term is defined in the Federal Trade Commission Act, as amended, and are false, misleading and deceptive.

PAR. 11. In the further course and conduct of their business, respondents offer for sale, sell and distribute French Perm without disclosing on the retail product package of said product the following information:

A. The product contains sodium hydroxide (lye). It can cause skin and scalp burns, hair loss, and eye injury. Directions must be followed carefully.

B. The product should not be used if scalp is irritated or injured.

C. The product should not be used on bleached or permanently colored hair. If hair has been relaxed, the relaxer should be applied only to new growth, as described in the directions.

D. If the relaxer causes skin or scalp irritation, it should be rinsed out immediately and washed with a shampoo in the kit. If irritation persists, a physician should be consulted.

E. If the relaxer gets into eyes, eyes should be rinsed immediately and a physician should be consulted.

Such facts are material and, if known to potential customers, would be likely to affect their decision to purchase French Perm. Therefore, failure to disclose said material facts on the product package is an unfair and deceptive act or practice.

PAR. 12. The use by respondents of the aforesaid false, misleading and deceptive and unfair statements, representations, acts and practices and the dissemination of the aforesaid "false advertisements" has the capacity and tendency to mislead members of the consuming public and professional beauticians into the erroneous and mistaken belief that said statements and representations are true, and into the purchase of substantial quantities of French Perm by reason of said erroneous and mistaken belief.

PAR. 13. In the course and conduct of their business, respondents are in substantial competition in or affecting commerce with corporations, firms and individuals engaged in the sale of products of the same general kind and nature as sold by respondents.

PAR. 14. The aforesaid acts and practices of respondents, including the dissemination of "false advertisements," are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts or practices in or affecting commerce and unfair methods of competition in or affecting commerce in violation of Sections 5 and 12 of the Federal Trade Commission Act, as amended.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Seattle Regional Office 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 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, and having duly considered comments filed pursuant to Section 2.34 of its Rules, 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:

A. Respondent Revlon, Inc. (Revlon) is a Delaware corporation with its office and principal place of business located at 767 Fifth Ave., New York, New York.

Respondent Revlon-Realistic Professional Products, Inc. (Realistic) is an Ohio corporation with its office and principal place of business located at 3274 Beekman St., Cincinnati, Ohio.

Respondent Deluxol Laboratories, Inc. (Deluxol) is an Illinois corporation with its office and principal place of business located at 1130 E. 95th St., Chicago, Illinois.

B. 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 respondents Revlon, Realistic and Deluxol, corporations, their successors and assigns, and their officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale, or distribution of Revlon Realistic Protein Permanent Creme Relaxer (Realistic Relaxer), French Perm Creme Hair Relaxer (French Perm relaxer) or any hair care product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, do forthwith cease and desist from:

A. Representing in writing, orally, visually, or in any other manner, directly or by implication, that:

1. Any hair straightening product is comfortable, gentle or safe.
2. Any hair straightening product is mild, *provided, however,* that respondents may use the words "mild strength" or "mild formula" to designate those hair straightening products which contain a smaller percentage of the active ingredient or ingredients than other hair straightening products manufactured by respondents.
3. Any hair straightening product helps improve hair strength.
4. Any hair straightening product conditions or helps condition hair or improves the condition of hair, *provided, however,* that respondents may represent that such products make or help make hair more manageable, if at the time the representation is made, respondents have in their possession a reasonable basis, consisting of competent and reliable controlled tests, to support such representations.
5. Any hair care product contains protein, unless, at the time the representation is made, respondents have a reasonable basis, consisting of competent and reliable controlled tests, to establish that at the time it is used, such product contains protein or partially hydrolyzed animal or vegetable protein having at least a mean molecular weight of 1000. This definition does not include any derivative of protein or partially hydrolyzed animal or vegetable protein obtained through the condensation reaction process of protein or partially hydrolyzed animal or vegetable protein with other chemicals.

B. Representing, in any manner, directly or by implication, the efficacy of any hair straightening product or the ingredients therein,

unless, at the time such representation is made, respondents have in their possession a reasonable basis, consisting of competent and reliable controlled tests, to support such representation; or misrepresenting in any manner the nature of any such product or its ingredients or the effect of any such product or its ingredients on hair or skin or any other structure of the body:

C. Representing, in any manner, directly or by implication, the safety of any hair care product or the ingredients therein, unless at the time such representation is made, respondents have in their possession a reasonable basis, consisting of competent and reliable controlled tests, to support such representation. For purposes of this provision, failure to disclose facts shall not constitute a representation.

D. Disseminating or causing to be disseminated any advertisement of Realistic relaxer, French Perm relaxer, or any hair straightening product of similar composition, which fails to disclose, clearly and conspicuously with nothing to the contrary or in mitigation thereof, the following statement exactly as it appears below:

"WARNING: Follow directions carefully to avoid skin and scalp irritation, hair breakage and eye injury."

II

It is further ordered, That respondents Revlon, Realistic, and Deluxol, corporations, their successors and assigns, and their officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale, or distribution of Realistic relaxer, French Perm relaxer, or any hair care product, do forthwith cease and desist from:

A. Disseminating or causing to be disseminated by United States mail or by any means in or having an effect upon commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, for the purpose of inducing, or which is likely to induce, directly or indirectly the purchase of any such product, any advertisement which contains a representation prohibited by Paragraph I of this order or which omits a disclosure for such product required by Paragraph I of this order.

B. Disseminating or causing to be disseminated by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of any such product in or having an effect on commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, any advertisement which contains a represen-

tation prohibited by Paragraph I of this order or which omits a disclosure for such product required by Paragraph I of this order.

III

It is further ordered, That respondents Revlon, Realistic, and Deluxol, corporations, their successors and assigns, and their officers, agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the offering for sale, sale, or distribution of Realistic relaxer, French Perm relaxer, or any hair straightening product of similar composition in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, as amended, do forthwith cease and desist from failing to include clearly and conspicuously on the information panel of the product package, on the package insert, and on the label of the relaxer container of any such product, with nothing to the contrary or in mitigation thereof, the following disclosures exactly as they appear below:

- WARNING: 1. This product contains sodium hydroxide (lye). You must follow directions carefully to avoid skin and scalp burns, hair loss, and eye injury.
2. Do not use if scalp is irritated or injured.
3. Do not use on bleached hair. Do not use on permanently colored hair which is breaking, splitting or otherwise damaged. For hair that has been permanently colored and shows no sign of damage, use only mild strength formula.
4. If you have previously relaxed your hair, relax only the new growth, as described in the directions.
5. If the relaxer causes skin or scalp irritation, rinse out immediately and wash with the shampoo in the kit. If irritation persists or if hair loss occurs, consult a physician.
6. If the relaxer gets into eyes, rinse immediately and consult a physician.

Provided, however, that if such hair straightening product is offered for sale, sold or distributed without a neutralizing shampoo, respondents will disclose the following in place of Warning No. 5 above:

5. If the relaxer causes skin or scalp irritation, rinse out immediately and wash with a non-alkaline shampoo (pH below 7). If irritation persists, or if hair loss occurs, consult a physician.

IV

It is further ordered, That respondents Revlon, Realistic, and Deluxol shall cease and desist from using the word "protein" in the trade name Revlon Realistic Protein Creme Relaxer and the trade names of any hair care product, unless at the time the representation

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Decision and Order

is made, respondents have a reasonable basis, consisting of competent and reliable controlled tests, to establish that at the time it is used, such product contains protein or partially hydrolyzed animal or vegetable protein having at least a mean molecular weight of 1000. This definition does not include any derivative of protein or partially hydrolyzed animal or vegetable protein obtained through the condensation reaction process of protein or partially hydrolyzed animal or vegetable protein with other chemicals.

V

It is further ordered, That respondents shall instruct each customer to whom they sell Realistic relaxer or French Perm relaxer, to destroy all display advertisements for Realistic relaxer and French Perm relaxer which contain any of the words or representations prohibited by Paragraph I of this order or which fail to made the affirmative disclosures for such products required by Paragraph I of this order. Respondents shall also instruct each of their customers which is a wholesaler to instruct beauty salons and retail stores which may have received such display advertisements to destroy them.

VI

It is further ordered, That respondents shall distribute a copy of this order to their present and future officers, directors, and operating divisions and that respondents secure from each such person a signed statement acknowledging receipt of the order.

VII

It is further ordered, That respondents maintain complete business records relative to the manner and form of their continuing compliance with the terms and provisions of this order. Each record shall be retained by respondents for at least three years after it is made.

VIII

It is further ordered, That respondents notify the Commission at least thirty days prior to any proposed change in respondents, such as dissolution, assignment or sale resulting in the emergence of a successor corporation or corporations, the creation or dissolution of subsidiaries, a change in the corporate name or address, or any other change in the corporations which may affect compliance obligations arising out of this order.

IX

It is further ordered, That the respondents herein shall, within 120 days after service of this order, file with the Commission a written report setting forth in detail the manner and form of their compliance with this order.

IN THE MATTER OF
CALIFORNIA AND HAWAIIAN SUGAR COMPANY,
ET AL.

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

Docket C-2858. Complaint, Jan. 6, 1977 — Decision, Jan. 6, 1977

Consent order requiring a San Francisco, Calif., seller of granulated sugar, and its advertising agency, Foote, Cone and Belding/Honig, Inc., among other things, to cease misrepresenting or making unsubstantiated claims regarding the superiority of their products over that of competing brands.

Appearances

For the Commission: *Ben Aliza and Alfred Lindeman.*

For the respondents: *George Link, Brobeck, Phlegge & Harrison, Los Angeles, Calif. and Quincy, White, Sidley & Austin, Chicago, Ill.*

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 California and Hawaiian Sugar Company, a corporation, and Foote, Cone & Belding/Honig, 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 California and Hawaiian Sugar Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 1 California St., San Francisco, California.

PAR. 2. Respondent Foote, Cone & Belding/Honig, Inc. 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 55 Francisco St., San Francisco, California.

PAR. 3. Respondent California and Hawaiian Sugar Company is now, and for some time last past has been, engaged in the manufacture, sale and distribution of refined sugars which come within the classification of a "food," as said term is defined in the Federal Trade