

IN THE MATTER OF
THE BENDIX CORPORATION

SET ASIDE ORDER IN REGARD TO ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION AND CLAYTON ACTS

Docket C-3042. Consent Order, Sept. 23, 1980—Set Aside Order, Feb. 6, 1986

The Federal Trade Commission has modified a 1980 consent order with The Bendix Corporation (96 F.T.C. 352) by setting aside portions of the order that required prior approval by the FTC before the respondent could acquire any interest in companies that manufacture or sell certain machine-tool products. The Commission ruled that the provision was no longer necessary since Bendix, and its parent company, Allied Corp., no longer manufacture or sell any kind of machine-tool product referred to in the order.

ORDER REOPENING AND SETTING ASIDE PORTIONS OF ORDER
ISSUED SEPTEMBER 23, 1980

On October 16, 1985, Allied Corporation ("Allied") filed a Request pursuant to Section 5(b) of the Federal Trade Commission Act, 15, U.S.C. 45(b) and Section 2.51 of the Commission's Rules of Practice. The Request asked the Commission to reopen the consent order issued on September 23, 1980 ("the order") [96 F.T.C. 352] and terminate Paragraphs VIII and X thereof. Allied became subject to the order when it acquired The Bendix Corporation ("Bendix") on January 31, 1983.

Paragraph VIII, the only substantive provision of the order which still has prospective application, prohibits Bendix, for a ten year period, from acquiring without prior Commission approval, any company engaged in the manufacture or sale in the United States of rotating toolholders, external cylindrical grinding machines, or numerically controlled machine tools. Paragraph VIII exempts from this requirements any company engaged in the manufacture of numerically controlled machine tools whose assets devoted to such manufacture or whose sales thereof during the year preceding such acquisition were not in excess of \$10 million. Paragraph X of the order requires respondent to report its compliance with Paragraph VII annually for a ten-year period.

After reviewing Allied's Request, the Commission has concluded that changed conditions of fact and the public interest warrant reopening the proceeding and setting aside Paragraphs VIII and X of the order. Allied has divested or sold off all of the product lines that gave rise to the order and the concerns that led to the order are no

longer applicable to Allied's current operations. The commission believes that under the circumstances presented here the costs, both the Allied and to the Commission, associated with continuing the moratorium provisions, are sufficient to outweigh the need for the order and the general presumption in favor of the repose and finality of Commission orders.

Accordingly, *it is ordered*, that this matter be, and it hereby is reopened and that Paragraphs VIII and X of the Commission's order issued on September 23, 1980, shall terminate as of the effective date of this order.

Commissioner Bailey was recused.

IN THE MATTER OF
NORTH AMERICAN PHILIPS CORPORATION

CONSENT ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3180 Complaint, Feb. 10, 1986—Decision, Feb. 10, 1986

This consent order requires a New York City marketer of Norelco Clean Air Machines, among other things, to cease misrepresenting the ability of air cleaners to eliminate or help eliminate indoor pollutants or the irritation they cause, the results of smoke chamber demonstrations or other tests, surveys or demonstrations of air cleaning appliances. Additionally, respondent is required to have competent and reliable substantiation for all future claims about its products' efficacy.

Appearances

For the Commission: *Brinley H. Williams, Judith P. Wilkenfeld, Donald G. D'Amato and Elizabeth T. Guarino.*

For the respondents: *Richard E. Dorl and William B. Gerwig, in-house counsel, New York City.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that North American Philips Corporation, 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 is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 100 E. 42nd Street, New York, New York.

PAR. 2. Respondent is now, and at all times relevant to this complaint has been, engaged in the manufacture and sale of portable, electric household air cleaning appliances, the Norelco Clean Air Machine, Models 0999, 1900, 1905, 1910, 1920, 1930 and 1940 (hereinafter referred to in the complaint as "air cleaning appliances"), and other products to the public.

PAR. 3. Respondent operates in various States of the United States