

IN THE MATTER OF
BLACK & DECKER (U.S.) INC.

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

Docket C-3280. Complaint, Jan. 10, 1990—Decision, Jan. 10, 1990

This consent order prohibits, among other things, the Towson, Md. based manufacturer of small appliances from representing that any consumer product is endorsed by a person, group or organization that is an expert, unless the endorser has the expertise that is represented and the endorsement is supported by a valid evaluation or test.

Appearances

For the Commission: *Joel Winston and Lesley Anne Fair.*

For the respondent: *David Seidl, Miles & Stockbridge*, Baltimore, MD.

COMPLAINT

The Federal Trade Commission, having reason to believe that Black & Decker (U.S.) Inc., a corporation (hereinafter “Black & Decker” or “respondent”), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Black & Decker (U.S.) Inc. is a Maryland corporation, with its offices and principal place of business located at 701 East Joppa Road, Towson, Maryland.

PAR. 2. Black & Decker manufactures, advertises, offers for sale, sells, and distributes the Black & Decker Automatic Shut-Off iron.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in the Federal Trade Commission Act.

PAR. 4. Black & Decker has disseminated or caused to be disseminated advertisements and promotional materials for the Black & Decker Automatic Shut-Off iron. Typical of respondent’s advertisements and promotional materials for the Black & Decker Automatic

Shut-Off iron, but not necessarily all-inclusive thereof, are the advertisements and promotional materials attached hereto as Exhibits A and B. The aforesaid advertisements and promotional materials contain the following statements and depictions:

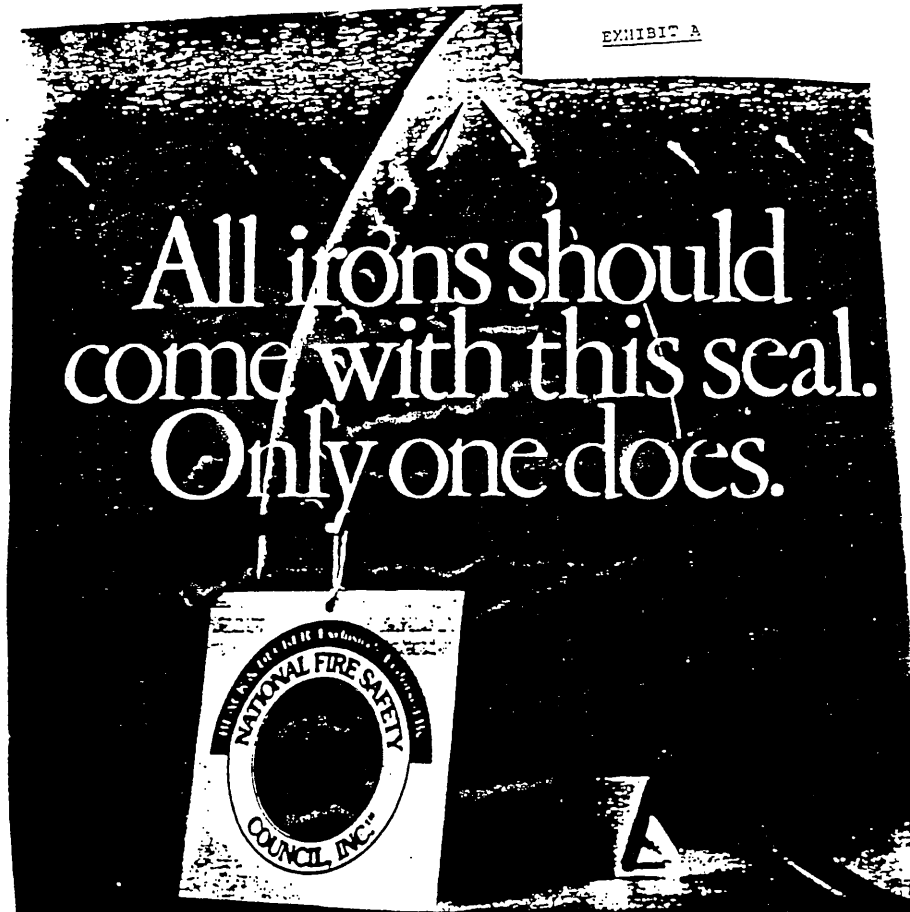
- (a) "Black & Decker, Exclusively Endorsed By National Fire Safety Council, Inc." (depicting the seal of the National Fire Safety Council, Inc.) (Exhibit A)
- (b) "All irons should come with this seal. Only one does." (Exhibit A)
- (c) "So buy the only iron endorsed by the National Fire Safety Council. And get the features that not only make ironing simpler, but give you peace of mind as well." (Exhibit A)
- (d) "Only one iron has the exclusive endorsement of the National Fire Safety Council. The Black & Decker Automatic Shut-Off Iron." (Exhibit B)

PAR. 5. Through the use of the statements and depictions referred to in paragraph four above and others in advertisements and promotional materials not specifically set forth herein, respondent has represented, directly or by implication, that the National Fire Safety Council, Inc. is an organization with expertise in the evaluation and testing of appliance fire safety and has conferred its exclusive endorsement on the Black & Decker Automatic Shut-Off iron on the basis of an independent, objective and valid evaluation or test using procedures generally accepted in the field of appliance fire safety to yield accurate and reliable results.

PAR. 6. In truth and in fact, the National Fire Safety Council, Inc. is not an organization with expertise in the evaluation and testing of appliance fire safety and has not conferred its exclusive endorsement on the Black & Decker Automatic Shut-Off iron on the basis of an independent, objective, and valid evaluation or test using procedures generally accepted in the field of appliance fire safety to yield accurate and reliable results. Therefore, the representations as set forth in paragraph five were, and are, false and misleading.

PAR. 7. The acts and practices of respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

Commissioner Owen not participating.



Only the Black & Decker Automatic Shut-Off™ iron shuts off and stays off.

Other automatic shut-off irons can reheat if knocked over.

But not the Black & Decker Automatic Shut-Off™ iron. It beeps to warn you it's been left on, then shuts itself off. And stays off, even if knocked over.

So buy the only iron endorsed by the National Fire Safety Council. And get the features that not only make ironing simpler, but give you peace of mind as well.

BLACK & DECKER
IDEAS AT WORK™



EXHIBIT B

Radio TV Reports

41 East 42nd Street New York, N.Y. 10017

PRODUCT	BLACK & DECKER AUTOMATIC SHUTOFF IRON	STATION	WABC-TV
PROGRAM	STATION BREAK	DATE	12-15-77
		TIME	11:00 PM



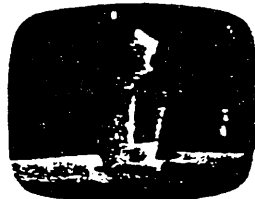
1. (MUSIC) (SFX-FIRE ALARM)



2. (MUSIC) (SFX-FIRE ALARM)



3. ANNCR: Only one iron has the exclusive endorsement of the National Fire Safe Council.



4. the Black & Decker Automatic Shutoff Iron.



5. Black & Decker,



6. Ideas at work... (MUSIC OUT)

EXHIBIT B

ALSO AVAILABLE IN COLOR VIDEO-TAPE CASSETTE

While Radio TV Reports, Inc. undertakes to ensure the accuracy of material submitted by it, it cannot be held responsible for errors or omissions. Material supplied by Radio TV Reports, Inc. shall be used for the purpose intended.

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 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 respondent with violation 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 the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that the respondent has violated 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 Black & Decker (U.S.) Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland, with its office and principal place of business located at 701 East Joppa Road, Towson, Maryland.

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

For the purposes of this order, "*consumer product*" shall mean any product advertised, offered for sale, sold, or distributed to consumers for their personal or household use, and not for commercial or industrial use.

I.

It is ordered, That respondent Black & Decker (U.S.) Inc., a corporation; its successors and assigns; and its officers, representatives, agents and employees; directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of any consumer product sold under the "Black & Decker" trademark, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that such product has been endorsed by a person, group or organization that is an expert with respect to the endorsement message unless:

A. The endorser's qualifications give it the expertise that the endorser is represented as possessing with respect to the endorsement; and

B. The endorsement is supported by an objective and valid evaluation or test using procedures generally accepted by experts in that science or profession to yield accurate and reliable results.

II.

It is further ordered, That for three (3) years from the date that the representations to which they pertain are last disseminated, respondent shall maintain and upon request make available to the Federal Trade Commission or its staff for inspection and copying:

A. All materials relied upon to substantiate any claim or representation covered by this order; and

B. All test reports, studies, surveys or other materials in its possession or control or of which it has knowledge that contradict, qualify or call into question such representation or the basis upon which respondent relied for such representation, including complaints from consumers.

III.

It is further ordered, That respondent shall forthwith distribute a copy of this order to each of its operating divisions and to each of its officers, agents, representatives or employees engaged in the prepara-

tion and placement of advertisements or other such sales materials covered by this order.

IV.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the corporation such as a 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 under this order.

V.

It is further ordered, That respondent shall, within sixty (60) days after service of this order upon it, and at such other times as the Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with this order.

Commissioner Owen not participating.

IN THE MATTER OF
OUTDOOR WORLD CORPORATION

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

Docket 9229. Complaint, July 17, 1989—Decision, Jan. 10, 1990

This consent order prohibits, among other things, a membership campground promoter, based in Bushkill, Pa., from misrepresenting in promotional mailings that named consumers have won specified prizes when the consumers had not won the specified prizes. Also, the consent order requires respondent to retain accurate records, for three years, of advertising and promotional materials concerning prizes and gifts awarded.

Appearances

For the Commission: *Lawrence M. Hodapp* and *Eileen Harrington*.

For the respondent: *Alan Schlaifer*, Washington, D.C.

COMPLAINT

The Federal Trade Commission, having reason to believe that Outdoor World Corporation, a corporation ("respondent"), has violated certain provisions of the Federal Trade Commission Act, ("FTC Act"), 15 U.S.C. 41 *et seq.*, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

PARAGRAPH 1. Outdoor World, Inc., is a Pennsylvania corporation with its principal office and place of business located at Route 209, Bushkill, Pennsylvania.

PAR. 2. (a) Since at least 1987, respondent has created and disseminated promotional mailings such as attached Exhibits 1-4 throughout the United States to promote the sale of resort memberships and other recreational or real property interests.

(b) Respondent's promotional mailings make numerous representations regarding prizes and gifts to be awarded to consumers who appear at the site at which resort memberships or other recreational or real property interests are sold.

PAR. 3. The acts and practices of respondent alleged in this complaint have been in or affecting commerce.