

1984  
ANNUAL  
REPORT

U.S. FEDERAL TRADE COMMISSION  
WASHINGTON, D.C.

Annual  
Report  
of the FEDERAL  
TRADE  
COMMISSION

For the Fiscal Year Ended

September 30, 1984

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LETTER OF TRANSMITTAL

March 19, 1986

The Honorable George Bush  
President of the Senate  
United States Senate  
Washington, D.C. 20510

The Honorable Thomas P. O'Neill  
The Speaker of the House of Representatives  
House of Representatives  
Washington, D.C. 20515

Dear Mr. President and Mr. Speaker:

It is a pleasure to transmit the seventieth Annual Report of the Federal Trade Commission covering its accomplishments during the fiscal year ended September 30, 1984.

By direction of the Commission.

TERRY CALVANI  
Acting Chairman

FEDERAL TRADE COMMISSION  
1984 ANNUAL REPORT

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## SUMMARY

Fiscal 1984 was a year of continued progress toward assuring the Commission its proper role as an effective and responsible agency.

While the Commission continued its commitment in carrying forward its statutory responsibilities, it also pursued several major goals:

### FOCUSING ON SPECIFIC MARKET FAILURES

In place of broad regulatory proceedings that waste Commission resources, the current FTC focuses on specific market failures. In consumer protection, the FTC has devoted major resources to areas of fraud, deceptive advertising, systematic breach of contract, illegal credit practices, and to a program that advocates consumers' interests before other coTC ~~g~~ ~~o~~ ~~u~~ ~~r~~ ~~n~~ ~~d~~ ~~i~~



## WORKING WITH BUSINESS TO OBTAIN COMPLIANCE

Although the FTC has made major efforts to provide guidance to both businesses and consumers, businesses still fail at times to comply with legal requirements. Sometimes

MAINTAINING COMPETITION MISSION

The mission of the Commission's Bureau of Competition is to enhance the welfare of consumers by maintaining the competitive operation of our economic system of private enterprise. The Bureau carries out its mission by enforcing the antitrust provisions of the Clayton Act and the Federal Trade Commission Act, as well as by serving as a vigorous advocate of competition before Congress and other governmental bodies.

SUMMARY OF ENFORCEMENT ACTIVITIES

During fiscal 1984, the Commission initiated 203 initial phase and 50 full phase investigations. The Commission issued 13 administrative complaints, accepted 17 consent agreements and voted to seek 4 preliminary injunctions relating to competition matters. Two other consent agreements were accepted subject to public comment.

Civil penalty actions were filed by the Department of Justice in July 1984.

Baking Co. One other

Inc.'s proposed acquisition of CooperVision Inc., the proposal was abandoned by the parties before the Commission's application was filed in court.

#### HORIZONTAL RESTRAINTS

The Commission's antitrust enforcement activity continued to reflect an emphasis on prohibiting anticompetitive agreements between competitors and resulted in the acceptance of six final consent orders and the issuance of eight complaints during fiscal 1984.

Dillon Companies, Smitty's Super Markets Inc. and David Porter entered into settlements agreeing not to interfere with the collection and publication of price surveys based on retail grocery items checked in their stores.

In two other consent agreements, The Washington, D. C. Dermatological Society and Estes Park Accommodations Association, Inc. agreed not to interfere with their respective members' truthful advertising of fees and available services.

The Commission's complaint against The District of Columbia Superior Court Trial Lawyers Association charged the group with conducting an illegal boycott to fix prices by encouraging its member attorneys to withhold their legal services to indigent defendants under the Criminal Justice Act. The complaint further alleged that the boycott forced the District of Columbia to increase the fee level under duress in order to secure the administration of justice.

Three separate complaints were issued against Tristate Household Goods Tariff Conference, Middle Atlantic Conference and the Motor Transport Association. The Commission charged that each of the motor carrier tariff bureaus conspired illegally to fix the intrastate transportation rates for property shipped by motor common carrier. The complaints alleged that the price fixing practices of the three bureaus deprived consumers using intrastate carriers of the benefits of competition in the specified states.

After a comprehensive staff analysis of the antitrust problems in the taxi-for-hire industry, separate complaints were filed against the municipal governments of Minneapolis and New Orleans charging both cities with unfair competition through the use of restrictive regulations applicable to taxicab operators. Monetary damages cannot be assessed in either case; however, if the Commission finds that the law has been violated, it could order each city not to enter into or enforce any agreement or city code provision that unreasonably restricts competition.

#### VERTICAL RESTRAINTS

The Commission reversed an Administrative Law Judge's decision and dismissed a complaint which charged that General Motors Corporation violated the Robinson-Patman Act by granting advertising allowances to

a few large car rental and leasing firms while not offering the same allowances to smaller companies. The Commission found no evidence that the challenged practice produced anticompetitive effects.

#### MONOPOLIZATION

In General Foods Corp., the Commission upheld an initial decision by an Administrative Law Judge dismissing charges against the nation's largest coffee maker. The Commission found that General Foods did not use unfair methods of competition or attempt to monopolize the coffee industry, but promoted healthy competition between brands through the use of efficient marketing skills.

The Commission overturned an Administrative Law Judge's initial decision in ITT Continental Baking Co. and dismissed the complaint. The Commission ruled that Continental's pricing policies were in response to competitive conditions in the wholesale white bread baking market and were not an attempt to eliminate competition or control prices.

#### ORDER MODIFICATIONS

The Commission modified 22 of its prior orders during fiscal 1984.

In keeping with the Commission's policy of allowing firms more freedom in establishing non-discriminatory standards for product promotion, display and services with their dealers, nine orders were modified.

The Commission relaxed the prior approval provisions of six orders restricting acquisitions and it deleted from another order a provision which required the filing of special reports prior to the consummation of an acquisition.

Two other orders were modified to delete provisions prohibiting reciprocal dealings.

The provisions prohibiting a firm from distributing its products through wholesalers were deleted from an order.

One order was modified to allow a medical group to participate in discussions about new types of health care financing.

In addition, one order was vacated due to a jurisdictional change and the last remaining provision of an order in a merger case was set aside after the anticompetitive issue was removed.

advocate the consumers' interest in promoting a competitive marketplace. By using interventions to complement its cases and investigations, the FTC can more effectively represent consumer interests than if it relied solely upon either approach.

There were several filings on trade policy issues. For example, the FTC participated in International Trade Commission proceedings involving domestic industries' (tuna, copper, and steel) petitions based on the so-called "escape clause." The domestic producers have sought trade restrictions such as tariffs and quotas against foreign competitors. At stake in these proceedings are literally billions of dollars. The FTC has argued that, assuming a finding of damage to the domestic industry and the necessity for some form of relief, the least restrictive available trade limitation should be the least restrictive available trade limitation.

## FEDERAL TRADE COMMISSION

## CONSUMER PROTECTION MISSION

The Consumer Protection Mission is charged with the elimination of unfair or deceptive acts or practices in or affecting commerce, with emphasis on those practices that may unreasonably restrict or inhibit the free exercise of consumer choice. The Mission emphasizes market-oriented remedies for law violations. Its activities can be grouped into five program areas: Advertising Practices; Credit Practices; Service Industry Practices; Marketing Practices; and Enforcement. In addition, the Mission has a Policy and Evaluation Unit, and an Office of Consumer and Business Education.

## ADVERTISING PRACTICES

During fiscal year 1984, the Commission devoted major resources to the elimination of false, deceptive, and unfair advertising. Advertising monitoring activities and vigorous follow-up law enforcement actions were undertaken.

The Commission issued a policy statement clarifying the standards the Commission uses to protect consumers and businesses from deception. The Commission also reaffirmed its commitment to the advertising substantiation program, which requires advertisers and advertising agencies to have a reasonable

troller unless it has adequate substantiation. It may not use the phrase "up to" in its energy savings claims unless an appreciable number of consumers can achieve the stated maximum level of savings under conditions normally encountered by consumers. Sovereign Chemical & Petroleum Products agreed to have a reasonable basis for any quality-related or other representations about its motor oils and transmission fluids.

An additional three consent agreements were accepted and published for public comment. Thomas A. Dardas, president of Acu-Form Weight Control Centers agreed not to claim that the "Acu-Form" plastic earpiece or any other diet product is effective in helping hisping

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Acu-Form Weight Control Centers, Inc. 1994  
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company secures the deeds, it records them and claims ownership of the house, treating the consumers as tenants.

The Commission issued an administrative complaint charging Orkin with unfairly raising annual renewal fees for its termite control contracts with consumers whose agreements called for fixed annual fees. Sentronic Controls Corp., in a consent agreement published for public comment, agreed not to claim that its ultrasonic pest control product eliminates insects and rodents, or make any other efficacy or performance claims, without competent and reliable scientific evidence for the claims.

The Commission obtained stipulated permanent injunctions against three health spa companies and their presidents. David Meade and Tyler-Radcliffe Co., Inc.; Robyn Kliss and Thor Enterprises, Inc.; and Billy DeVasher and Lady Venus Centers, Inc. all agreed to obtain performance bonds, disclose clearly the date that services will be available, and have any specific additional services or facilities claimed in working order before taking advance payments from consumers.

The Commission tentatively adopted a revised Used Car Rule, requiring dealers to give consumers complete and clear information on who will pay for repairs after a sale. The rule will also require dealers to make specified disclosures in a redesigned Buyers Guide placed in the side window of each used car offered for sale.

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Corp., agreed to pay \$140,000 in civil penalties in a consent decree settling charges that they failed to consider applications from women who did not have jobs, ignored women's alimony and child support payments, requested prohibited information, and failed to retain adequate records.

The Allied Stores Corp. agreed to pay a \$122,000 civil penalty to settle charges that it violated the Equal Credit Opportunity Act by failing to disclose the specific, principal reasons for turning down credit applications. The judgment also settles charges that it violated the Fair Credit Reporting Act by failing to disclose that it denied credit applications based on information obtained from a third party other than a consumer reporting agency. Under a proposed consent order, the Hospital and Health Services Credit Union has agreed to notify affected former credit applicants that they were denied credit on the basis of information from a credit bureau or third party, and to provide the applicant with the name and address of the bureau, or the nature of third party information, upon request.

First Federal Credit Control agreed to a \$25,000 civil penalty consent judgment for allegedly violating The Fair Debt Collection Practices Act, by failing to notify consumers of their right to dispute or obtain verification of a debt, and the use of form letters containing false and deceptive representations.

The Commission approved the final Credit Practices Rule covering the remedies lenders and retail installment sellers can include in consumer credit contracts for use if debtors become delinquent or default on their loans. The rule further prohibits misrepresentations of cosigner liability and provides that potential cosigners be furnished a "Notice of Cosigner" which explains in

Laboratories, and the individuals who control the companies, made claims about hair analysis and their testing services that are false and that such tests may therefore be worthless to consumers.

Two defendants in the Commission's case against the U.S. Oil and Gas Corp. have agreed to pay

optometrists. There was, however, a wide range of costs. Staff concluded that state restrictions on the fitting of contact lenses by opticians may result in higher prices, because consumers might have limited access to the services at lower costs. The Commission also conducted a symposium entitled, "Advertising by Health Care Professionals in the 1980's." The symposium featured presentations of papers on health care advertising and regulation and discussions of those papers by panels of economists, trade regulation attorneys, and health care professionals.

#### ENFORCEMENT

The Enforcement program monitors compliance with Commission orders for the Bureau of Consumer Protection, handles order modifications for the Bureau, and is responsible for the implementation and





dition, 15,000 copies of an industry guide entitled, "Writing a Care Label" were distributed. A radio campaign developed in conjunction with the American Society of Travel Agents was released. The campaign advised consumers to learn about cancellation policies, nationally advertised specials, and to get all promises in writing. A print campaign on mortgage advertisements was produced, and 30,000 copies of the consumer brochure, "Using Ads to Shop for Home Financing," were distributed.

In addition, several updates of print materials were developed and distributed. These materials include such topics as Franchise and Business Opportunity; Buying a Used Car (Spanish); Holiday Shopping by Phone or Mail; Laser Facelifts; Gold Jewelry; and Income Tax Preparation Services. In total, over two million pieces of print materials were distributed.

### ECONOMIC ACTIVITIES

The FTC's Bureau of Economics has three main responsibilities: to provide economic support to the agency's antitrust and consumer protection activities; to advise the Commission about the impact of government regulation on the functioning of markets; and to gather and analyze information on the American economy.

The primary mission of the FTC is to enforce the antitrust and consumer protection laws. In 1984, the Bureau of Economics continued to provide guidance and support to those activities. As has been the case in the past, the bulk of Bureau of Economics resources was committed to support for and analysis of investigations, litigation, and rulemaking. In the antitrust area, economists developed investigation plans, carried out investigations, collected data and evidence, and offered advice on the economic merits of potential antitrust actions. The primary objective was to distinguish situations where the marketplace



of various regulations



tions including those related to personnel, budget and finance, automated

Part II (Investigative Stage)  
CONSENT AGREEMENTS ACCEPTED  
AND PUBLISHED FOR PUBLIC COMMENT

COMPETITION MISSION

Standard Oil Co. of California

Under a consent agreement, Standard Oil Co. of California (SOCAL), the nation's fourth largest oil company agreed to divest certain oil and gas assets to offset alleged anticompetitive effects of SOCAL's \$13.2 billion acquisition of Gulf Oil Corporation. Under an accompanying hold separate agreement, SOCAL agreed to the independent operation of all Gulf's oil and gas assets until the divestitures comply with the requirements of the consent agreement and until the Commission determines that no additional divestitures are necessary to cure antitrust concerns. The merger is the largest in corporate history. The complaint accompanying the consent agreement charged that SOCAL's acquisition of Gulf could lessen competition in four relevant lines of commerce: the transportation of refined light petroleum products, such as gasoline, kerosene and jet fuel from refineries into the consuming areas of the southeastern U.S.; the refining and distribution of gasoline in specified areas; the transportation of crude oil from producing fields in western Texas and eastern New Mexico to refineries; and the manufacture and distribution of kerosene jet fuel in the East Coast and Gulf Coast areas of the U.S. SOCAL and Gulf, the complaint alleged, are direct competitors in each of the relevant lines of commerce. The agreement requires SOCAL to divest certain oil and gas assets to offset alleged anticompetitive effects of SOCAL's \$13.2 billion acquisition of Gulf Oil Corporation. Under an accompanying hold separate agreement, SOCAL agreed to the independent operation of all Gulf's oil and gas assets until the divestitures comply with the requirements of the consent agreement and until the Commission determines that no additional divestitures are necessary to cure antitrust concerns. The merger is the largest in corporate history. The complaint accompanying the consent agreement charged that SOCAL's acquisition of Gulf could lessen competition in four relevant lines of commerce: the transportation of refined light petroleum products, such as gasoline, kerosene and jet fuel from refineries into the consuming areas of the southeastern U.S.; the refining and distribution of gasoline in specified areas; the transportation of crude oil from producing fields in western Texas and eastern New Mexico to refineries; and the manufacture and distribution of kerosene jet fuel in the East Coast and Gulf Coast areas of the U.S. SOCAL and Gulf, the complaint alleged, are direct competitors in each of the relevant lines of commerce. The agreement requires SOCAL to divest certain oil and gas assets to offset alleged anticompetitive effects of SOCAL's \$13.2 billion acquisition of Gulf Oil Corporation.

acquiring any company engaged directly or indirectly in the refining and distribution of petroleum and pipeline transportation in, the geographic areas specified in the consent agreement.

#### Multiple Listing Service of the Greater Michigan City Area Inc.

The Multiple Listing Service of the Greater Michigan City Area Inc. of Michigan City, Indiana, agreed not to interfere with its members' participation in any comparative advertising or practice that would promote competition among residential real estate brokers in LaPorte County, Indiana. The Multiple Listing Service is a clearinghouse through which member real estate brokerage firms regularly exchange information on listings of real estate property located in LaPorte County. To comply with the order, the Multiple Listing Service is prohibited from establishing fixed commission rates or interfering with its members' truthful advertising of commission fees lower than the current market rate. In addition, the service must not deny membership to a firm because of size or volume of business, or restrict any member's participation in a venture that competes with the Multiple Listing Service.

#### CONSUMER PROTECTION MISSION

##### Sentronic Controls Corporation, et al.

Sentronic Controls Corporation agreed not to claim its "Pest Sentry" ultrasonic pest control product eliminates insects and rodents, or make any other efficacy or performance claims, unless it has competent and reliable scientific evidence which substantiates the claims. The complaint, alleges that the ultrasonic product is ineffective in controlling insects and rodents, does not prevent pests from entering an area, and does not effectively cover the square footage the company claims.

##### Thomas A. Dardas, Individually and as an Officer of Acu-Form Weight Control Centers, Inc.

Thomas A. Dardas, president of Acu-Form Weight Control Centers, Inc., agreed not to claim that the "Acu-Form" plastic molded earpiece or any other product is effective in helping consumers lose weight, without reliable and competent evidence to substantiate the claim. Dardas also agreed not to misrepresent the terms of any guarantee in connection with a weight loss or control product or service, and to clearly disclose the conditions of such a guarantee.

Charles E. Weller, as Former Officer of Alaska Land Leasing, Inc., et al.

Charles E. Weller agreed not to misrepresent the present value or potential for increased value of oil and gas leases or other investments, and will contribute \$60,000 to a consumer redress fund. Weller also agreed to disclose information about the risks and potential of oil and gas leases in sales brochures and contracts, stating on the contracts that they are not valid or complete unless the customer signs a declaration of understanding regarding the required disclosures.

Sun Refining and Marketing Co.

Sun Refining and Marketing Co. agreed to honor lifetime warranty obligations for automobile batteries it sold with such a warranty. The company also agreed to contact eligible consumers and make them aware of the reinstatement of the lifetime warranty.

American Society of Sanitary Engineering

The American Society of Sanitary Engineering, which develops standards for plumbing equipment, agreed to change certain policies which may bar consideration of new products. The society agreed to change Co. of bar may standards

Biopractic Group, Inc.

Biopractic Group, Inc., maker of Therapeutic Mineral Ice, agreed not to make claims about the product's effectiveness and acceptance by the scientific community and the news media, unless it has adequate substantiation. Therapeutic Mineral Ice is a product marketed to reduce pain and inflammation arising from muscle sprains, arthritis, rheumatism, and similar ailments.

Part II (Investigative Stage)  
 CONSENT AGREEMENTS ISSUED IN FINAL FORM

COMPETITION MISSION

The Washington, D.C. Dermatological Society

The Washington, D.C. Dermatological Society, a professional organization of dermatologic physicians located in the greater Washington Metropolitan Area, agreed not to interfere with its members' truthful advertising of their fees and services. The Commission's complaint alleges that the Society prohibited its members from engaging in truthful advertising and threatened to deny membership to any physicians associated with a health care delivery organization that advertised the identity, fees or services of an affiliated doctor. Under the agreement, the Society is prohibited from restricting or advising its members against truthful advertising of fees, services or facilities, but is permitted to adopt and enforce reasonable ethical guidelines governing false and deceptive advertising. In addition, for a period of five years, the Society is required to provide each new member with a copy of the order.

Dillon Companies, Inc.

Dillon Companies, Inc. agreed not to interfere with the collection and publication of comparative price surveys based on items checked in the Dillon grocery stores. The complaint issued as part of the consent alleges that Dillon, a Kansas based grocery retailer, agreed with other grocers in the Springfield, Missouri area to bar a survey firm's price checkers from their stores. The complaint charged that the alleged group boycott suppressed price competition among grocers in the area and deprived consumers of the advantages of comparative price information. Under 262i pTa ( ) te47fr ifj 31ac prohibj 2deir s0.56 -1



ing competition among themselves. The Commission charged that the Distributors Council and its members agreed to restrict sales of new truck trailers to designated areas of primary responsibility or to assigned dealers. Under a separate count, Great Dane was charged with assisting the Distributors Council to discourage dealers from making sales outside their assigned areas.

#### General Motors Corporation/Toyota Corporation

General Motors Corporation and Toyota Corporation agreed to limit the number of subcompact cars to be manufactured jointly in General Motors' Fremont, California plant. The equally-owned venture, New United Motor Manufacturing Inc., will manufacture a front-wheel drive car, derived from Toyota's Japanese distributed Sprinter. The car, Model TVX, will be sold under the Chevrolet nameplate by GM dealers. The complaint, issued with the consent, alleged that the joint venture could lessen competition in the manufacture and sale of subcompact, compact and intermediate cars in the United States and Canada unless consent order restrictions were placed on the venture's production and expansion capabilities. Under the terms of the order, production is limited to approximately 250,000 vehicles per year for 12 years from the date the first automobile i

Pilkington Brothers P. L. C.

Pilkington Brothers P.L.C. agreed to reduce and limit its affiliations with two manufacturers and producers of float glass located in Canada and Mexico so as to reduce its North American position in the float glass industry. Float glass is used in car and truck windshields and specialty applications such as sliding doors and shower enclosures. Pilkington, the world's largest manufacturer of float glass, owns a 49 percent interest in Ford Glass Ltd., a Canadian firm, a 35 percent interest in Vitro Plan S.A., a Mexican company, and in 1982 purchased 30 percent of the voting securities of Libby-Owens-Ford Co., the second largest producer of float glass in North America. According to the complaint, the ownership of the Libby-Owens-Ford shares together with Pilkington's interests in the Canadian and Mexican float glass firms may have reduced competition among the four firms and could increase the already high levels of concentration in the market. Under the terms of the consent, Pilkington agreed to divest its shares in Ford Glass, limit its voting privileges and participation in the business decisions of Vitro Plan, while maintaining its present share interest. In addition, for a 10 year period, the consent prohibits Pilkington from acquiring any firm engaged in the manufacture of float glass in North America without prior Commission approval.

Texaco Inc.

Texaco Inc. agreed to divest, within one year, oil and gas assets in excess of \$100 million to acquirors approved by the FTC to settle antitrust charges. The Commission charged that Texaco's \$10 billion acquisition of Getty Oil Co., the nation's fourteenth largest oil company, violated the antitrust laws because it could lessen competition in the refining and transportation of refined products in the Northeast and decrease competition in the transportation of refined light products to Colorado. The complaint also charged that the acquisition could harm competition by imposing restrictions on independent refiners' access to crude oil and pipeline transportation in California. The consent provides that Texaco can choose to either divest its forty percent interest in the Wyco Pipeline which runs from Wyoming into Colorado or divest its interest in the Chase Pipeline, which runs from Kansas into Colorado, along with other selected Getty assets in fifteen states. The consent also requires Texaco to divest its Eagle Point Refinery in Westville, N.J. and a related terminal in Salisbury, Md., in addition to certain Getty wholesale gasoline terminals and associated gas stations in the Northeast. Under additional terms of the consent, for a period of five years, Texaco must offer independent West Coast refiners and other

Getty customers the opportunity to purchase stated amounts of California crude oil. Finally, Texaco agreed to favorably vote on any proposals to increase the capacity of Colonial Pipeline, the major petroleum products pipeline serving the Gulf Coast to the Northeast. Texaco must obtain prior FTC approval before acquiring any share of a company engaged in refining or wholesale distribution of gasoline in specified

ment agency. Any representation that the mask will protect a person from fire hazards must be accompanied by the statement: "The mask does not filter carbon monoxide, a lethal gas associated with fire."

#### Monte Proulx

Monte Proulx, former head of marketing and research for Emergency Devices, Inc., agreed not to make false representations in advertisements for the "Extra Margin Emergency Escape





not to make any energy-related claims containing the phrase "up to" or a similar phrase, unless an appreciable number of consumers can achieve the maximum stated level of savings under reasonably expected conditions or the conditions necessary for maximum savings are disclosed. In addition, the company agreed not to misrepresent any tests it uses to support its energy-related or

INJUNCTIONS



Alcon Laboratories Inc.

The Commission authorized its staff to seek a preliminary injunction barring Alcon Laboratories Inc.'s proposed acquisition of CooperVision Inc. The complaint charged that the acquisition would violate the federal antitrust laws by eliminating competition in the ophthalmic therapeutic pharmaceutical market where CooperVision and Alcon are the only two competitors. If the acquisition was allowed to be consummated, the new firm would be the second largest manufacturer of soft contact lens and, in addition, would be the largest producer in a number of other eye care markets. Before court papers were filed, the parties abandoned their planned merger.

#### CONSUMER PROTECTION MISSION

Rita A. Walker and Associates, Inc.

The Commission filed a complaint in federal district district

companies from making false claims about their ability to obtain oil and gas leases for customers. The court subsequently appointed a receiver to manage the affairs of the three companies and froze the personal assets of six officials of the companies. In addition, Marc Douglas (also known as Marc Simpson), a former salesman, agreed to a permanent injunction and to pay \$65,000 in consumer redress to customers who may have been injured

facilities in working order before taking advance payments from consumers. The bonds will ensure that spa members will be able to receive refunds if the spa closes or fails to open. The complaints filed by the Commission charged the respondents with various violations of the FTC Act in connection with the advertising and operation of health spas in Iowa, Illinois, Delaware, and Louisiana.

Trans-Alaska Energy Corp., et al.

The Commission filed a complaint in federal district court seeking permanent injunctions and consumer redress against Trans-Alaska, three related companies, and the individuals who operated the firms. A federal district court issued a preliminary injunction in May, 1984, freezing the assets of the companies and five individuals. The complaint charges the companies with allegedly inducing consumers into investing thousands of dollars each for valueless or non-existent rights to oil and gas leases on federal lands. In September, 1984, the Commission named three additional individuals as defendants, and the Court issued a temporary restraining order and asset freeze against them.

Federal Energy Systems, Inc.

The Commission filed a complaint in federal district court seeking a temporary restraining order, preliminary and permanent injunctions, a freeze of assets, civil penalties, and consumer redress against Federal Energy Systems. The company sells franchises for the sale and installation of FES-trademarked equipment that automatically controls heating and air-conditioning energy use in small to medium-sized commercial buildings. The complaint charges the company with violations of the FTC Act and the Commission's Franchise Rule by failing to provide required information to its prospective franchise buyers and misrepresenting the earning potential of those franchises.

International Diamond Corp., et al.

In 1982, the Commission filed a complaint in federal district court charging International Diamond Corp. (IDC) and several defendants with falsely claiming that diamonds bought through the company were a risk-free investment, and that IDC's prices compared with wholesale prices. In July, 1984, a settlement reached with IDC in May, 1984, became final. In 33.72 0 TD 0 Tc ( ) Tj 3.48 n

Alaska Land Leasing, Inc., et al.

The Commission filed a complaint in federal district court seeking civil penalties, consumer redress, and permanent injunctions against Alaska Land Leasing, four related companies, and six individuals. A federal district court issued a preliminary injunction and froze the assets of the companies and individuals. The complaint charges that the companies persuaded consumers to invest thousands of dollars in Alaskan oil and gas leases of negligible value, using false representations of the value and potential of the leases.

A & A Laboratories, Inc.

The Commission filed a complaint in federal district court seeking preliminary and permanent injunctions, and a freeze of assets against A & A Laboratories, several divisions of A & A, and the individuals who control the companies. The defendants sell hair analysis services and vitamins, minerals, and other dietary supplements. The complaint charges that, contrary to the defendants' claims, hair analysis tests are grossly inaccurate, and that recommendations for dietary supplements based on the analyses may be potentially harmful to consumers' health.

Hosiery Corp. of America, Inc., et al.

The Commission filed a consent decree in federal district court with Claire Nelson, president and co-owner of Hosiery Corp. of America until early 1981. The consent prohibits Nelson from violating the Mail Order Rule or from misrepresenting that consumers' names will be given to a credit reporting agency. The complaint charged HCA with sending consumers unordered merchandise and improperly trying to collect for that merchandise.

Landmark Financial Services, Inc.

The Commission filed a complaint in federal district court seeking civil penalties from Landmark Financial Services, Inc. for allegedly violating equal credit opportunity laws. The complaint charges that Landmark gives loans to elderly applicants on less favorable terms than to similarly qualified but younger applicants.

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it may violate the antitrust laws. In addition to the civil penalty, Coastal divested the 75,000 shares under an agreement with the Commission's Bureau of Competition. This marked the first time the Commission invoked Section 7A(g)(1) of the Clayton Act for an alleged violation of the HSR Act. The consent judgment was filed in District Court on behalf of the FTC by the Justice Department.

#### CONSUMER PROTECTION MISSION



to customers who allegedly did not receive sufficient information about why they were denied credit.

Ferrara Foods, Inc., et al.

Ferrara Foods, Inc. agreed to a \$40,000 civil penalty consent decree to settle charges of violating the Franchise Rule. The company also agreed not to make inflated earnings promises, and not to sell a franchise unless it discloses all material information about the business fully and accurately.

Westwood, Inc.

Westwood, Inc. agreed to a \$25,000 civil penalty consent decree to settle charges the company sold fabrics with mislabeled wool contents. The alleged violations included overstatement of the amount of wool in the fabrics, and continued importation of misbranded wool products for sale in the U.S. after the FTC had informed the company that it was illegal to do so. Under the agreement, Westwood will have an independent laboratory test products it imports to determine the percentage of each type of fiber, relabeling as necessary.

Gary Supplies, et al.

Gary Supplies, Random Stationers, Inc., A & L Supply Co., Tri-

Horizon Corporation

Horizon Corporation agreed to a \$41,800 civil penalty consent decree to settle charges that it had

a

Corporation  
Horizon Corporation

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## ADMINISTRATIVE COMPLAINTS

## COMPETITION MISSION

## The New England Motor Rate Bureau, Inc.

The Commission charged that The New England Motor Rate Bureau Inc. illegally conspired to establish and maintain collective rates which unlawfully fixed prices for intrastate freight transportation. The Rate Bureau publishes and issues tariffs stating the intrastate rates for the transportation of property on behalf of its member carriers engaged in the transportation of properties within the states of Massachusetts, New Hampshire, Rhode Island and Vermont. According to the complaint, the Rate Bureau prepared and filed collective fixed rate tariffs with state public utility commissions on behalf of its members. The complaint charged that the participation in and filing of collective rates suppressed competition among intrastate carriers and deprived shippers and consumers of the benefits of free and open competition in the transportation of properties in the four states. If the Commission finds that the Rate Bureau violated the law, it may require the group to cancel all tariffs filed with the four state utility commissions and may also prohibit the group from entering into any agreement to collectively fix prices for the transportation of intrastate property.

## District of Columbia Superior Court Trial Lawyers Association

The Commission's complaint alleged that the District of Columbia Superior Court Trial Lawyers Association illegally conspired to conduct a work stoppage boycott when some of the associations members and other area attorneys declined to accept new criminal case assignments in order to demand higher legal fees. The association is a group of private attorneys on assignment from the Superior Court of the District of Columbia who primarily handle criminal cases involving indigent defendants under the Criminal Justice Act. According to the complaint, the association's members withheld their services from the indigent defendant program for 15 days in order to coerce higher payments from the city government. The complaint further alleged that the association's conspiracy to fix prices and make its member lawyers unavailable to accept new case appointments restrained competition among the group's members and between other attorneys. In addition, the Commission alleged that the boycott forced the District of Columbia to increase the fee level under duress in order to secure the administration of justice.

Smitty's Super Markets, Inc.  
David Porter

The Commission's complaint alleged that three Springfield, Missouri grocery retailers conspired to prevent

of Continental Carbon and for a period of ten years prohibit Columbian Enterprises' acquisition of any company engaged in the production or distribution of carbon black without prior Commission approval. Consolidated Mining is owned by The Hochschill Trust, a Panamanian corporation; Continental Carbon is owned by Conoco Inc.

**Bass Brothers Enterprises, Inc.**

The Commission charged that Bass Brothers Enterprises, Inc.'s acquisition of the United States assets of Ashland Oil

### Rhode Island Board of Accountancy

The Rhode Island Board of Accountancy has allegedly restrained competition by prohibiting professional accountants in the state of Rhode Island from soliciting business through advertising. The board, appointed by the Governor, administers examinations and permits to practice to qualified certified public accountants and public accountants. All practicing accountants in Rhode Island are required by state law to hold a permit to practice issued solely by the board. The Commission's complaint alleges that the five member board restricted competition by restricting licensed accountants from advertising and from soliciting the public or clients of other CPA's or PA's. The complaint charged that because Rhode Island state law does not require the advertising restrictions written into the board's code of professional conduct, the ban on advertising is a violation of the federal antitrust laws.

### The Electrical Bid Registration Service of Memphis, Inc.

The Commission's complaint charged that the Memphis Chapter of The National Electrical Contractors Association, The Electrical Bid Registration Service of Memphis, Inc., prevented price competition and raised the cost of electrical subcontracting work by establishing a bid registry that obstructed price negotiations between the electrical subcontractors and general contractors in the greater Memphis area. In most instances, general contractors developing proposals to seek prime construction projects contact various subcontractors to get estimates on specialty work not performed by the general contractor. The winning general contractor then enters into negotiations with any interested subcontractor to obtain sub-bids offering the most favorable prices for the specialty work involved in the project.

Tristate Household Goods Tariff Conference  
Middle Atlantic Conference  
Motor Transport Association

The Commission issued separate complaints against three motor carrier tariff bureaus for allegedly fixing the intrastate transportation prices for property shipped by motor common carriers. The tariff bureaus act as agents on behalf of their member carriers that provide intrastate transportation of household goods and general





PART III (Adjudicative Stage)  
CONSENT AGREEMENT ISSUED IN FINAL FORM

COMPETITION MISSION

Gillette Company

The Gillette Company agreed to provide advertising and promotional program opportunities on a proportionally equal basis to both large and small retailers who sell its products. According to the complaint, Gillette offered advertising allowances only to large retailers who had provided promotional services on behalf of Gillette's products. The order required Gillette to offer alternate plans for retailers who did not regularly advertise in newspapers or distribute large numbers of advertising circulars.

Flowers Industries, Inc.

Flowers Industries, Inc., a Georgia based bread producer, was ordered to divest, to a Commission approved buyer, its bakery plants in High Point, North Carolina and Gadsen, Alabama to settle charges that its bakery acquisitions in the southeastern U.S. reduced competition. According to the complaint, acquisitions made by Flowers between 1973 and 1980 eliminated competition and increased concentration in the bread industry in various southeastern areas. The order also requires Flowers to transfer certain trade names and trademarks associated with the two plants. In addition, Flowers is prohibited from acquiring or holding any bakery concern without prior Commission approval for a period of 10 years.

Ford Motor Company

The Ford Motor Company was prohibited from extending advertising allowances to large car rental companies unless proportional allowances were also made available to competing small car firms. The complaint included with the consent agreement charged Ford with discriminating against small rental companies by not offering advertising allowances proportionally equal to those given to larger customers. Under the order, Ford was required to offer small car rental companies payment of part of the cost of certain types of Yellow Pages display advertisements. The restrictive standards imposed by this order was contingent on the Commission's ruling in the General Motors Corporation matter, Docket No. 9114, summarized in this report under Final Commission Orders. A provision in the Ford order allowed the firm

to benefit from the Commission's decision, if less

and sale of

and competent scientific evidence substantiating the claim. The company also agreed not to misrepresent the results of any scientific test, research article, or other scientific opinion or data in its advertising claims for "Daily Greens." In July, 1983, the Commission issued an administrative complaint charging the company with falsely and deceptively basing its ad claims on a 1982 National Academy of Sciences' report, "Diet, Nutrition, and Cancer."

## INITIAL DECISIONS

## COMPETITION MISSION

## Weyerhaeuser Co.

An Administrative Law Judge dismissed a 1981 complaint against Weyerhaeuser Co. The Commission's complaint charged that Weyerhaeuser Co.'s acquisition of Menasha Corp.'s North Bend, Oregon medium mill would lessen competition in the eleven state market west of the Rocky Mountains. The companies are direct competitors in the production of corrugating medium, a product used in the production of corrugated box and containers. In defining the market in this acquisition as national in scope, the Judge found that the acquisition would not decrease competition in an industry with low barriers to entry and where excess production of corrugated medium in other parts of the country has a significant competitive effect on west coast medium.

## B.A.T. Industries, Ltd.

An Administrative Law judge dismissed a complaint against B.A.T. Industries, Ltd., ruling that the company's 1978 acquisition of the Appleton Papers Division of NCR Corp. did not violate the federal antitrust laws. The 1980 complaint charged that the acquisition eliminated the potential for competition entry

dealers and to large commercial users, illegally received discounts not available to competing retail dealers on goods purchased for resale to commercial users. The Judge found that Boise violated the Robinson-Patman Act when the company knowingly accepted discriminatory prices or discounts, unavailable to competing buyers, on products furnished by common suppliers.

#### Echlin Inc.

An Administrative Law Judge issued a decision that found Echlin Inc.'s (formerly Echlin Manufacturing Co.) acquisition of Borg-Warner Corp.'s automotive-aftermarket operations did not create an antitrust violation. The Commission's complaint charged that the acquisition could substantially lessen competition by forming a firm controlling half the market for the assembly and sale of carburetor kits in the United States. Carburetor kits are prepackaged sets of most frequently used parts needed to repair carburetors that do not require replacement. The Judge dismissed the complaint finding that the industry would remain substantially competitive based on the industry's past performance. The Judge ruled that such non-market share factors as low barriers to entry and rapid technological advances must be considered, along with market share data, in assessing whether a merger's impact on an industry will probably produce anticompetitive effects.

FINAL COMMISSION ORDERS

COMPETITION MISSION

Schlumberger Limited

The Commission dismissed a complaint challenging Schlumberger Limited's acquisition of Accutest Corporation. The principal relief sought by the complaint was accomplished when Schlumberger divested Accutest to four individuals.

General Foods Corp.

The Commission upheld a 1982 Administrative Law judge's initial decision that dismissed charges against General Foods Corp., the nation's largest coffee maker. The 1976 complaint charged that General Foods, through its Maxwell House Division, used its dominant market position to frustrate the growth of small competitors by limiting their entry into General Foods' markets



General Motors Corporation

The Commission dismissed a complaint which charged that General Motors Corporation violated the Robinson-Patman Act by granting advertising allowances to a few large car rental and leasing firms while not offering the same allowances to smaller companies. The Commission held that the challenged practices did not come within the jurisdiction of the Robinson-Patman Act and, moreover, that the FTC Act should not be used to extend the reach of the former Act to hold the challenged practices illegal.

American Medical International, Inc.

The Commission upheld the 1983 decision of an Administrative Law judge which found that American Medical International, Inc.'s 1979 acquisition of French Hospital in San Luis Obispo, California, restricted both price and quantity of medical services. (1983) Tj 22.08 0 TD ( ) Tj 2.28 0 TD 0.0205 1. TD (1983) T.56 0 TD 0 Tc ( )

1. TD (1983) Tj 22.08 0 TD ( ) Tj 2.28 0 TD 0.0205 1. TD (1983) T.56 0 TD 0 Tc ( )

American 3clich

unfair and deceptive marketing practices to sell this land; and included an unfair forfeiture clause in its contracts. Under the order, AMREP may make only limited claims about the investment potential of the land it sells, and at the time the claim is made, must have adequate substantiation to support the claim. AMREP is also prohibited from engaging in sales practices that prevent reasoned consideration and make the buyer more susceptible to deceptive statements and practices. In addition, contracts must be clearly labeled and must offer buyers a seven-day right to cancel the transaction.

Cliffdale Associates, Inc., et al.

The Commission upheld a 1982 Administrative Law Judge's decision that Cliffdale made false performance claims and did not have a reasonable basis for other claims in its promotional materials for the "Ball-Matic Gas Save Valve." Cliffdale advertised the Ball-Matic as a significant and unique new invention which would give the typical driver gas savings of at least 20 percent. The Commission found these claims false and deceptive, and prohibited Cliffdale from making them. In addition, Cliffdale may not misrepresent survey evidence supporting energy-savings claims for any product, and must disclose relationships, if any, between Cliffdale and persons endorsing its products.

Rentacolor, Inc., et al.

The Commission upheld a 1983 Administrative Law Judge's decision that Rentacolor violated consumer leasing laws by failing leas Tc (vi2 TD 0sesn04 0 TD 0 407.16 -12.96 TD 0.0021) Tj 9.24 Oleasit,

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## ORDER MODIFICATIONS

## COMPETITION MISSION

## ITT Continental Baking Company, Inc., et al.

The Commission modified a 1974 order with ITT Continental Baking Company, Inc., et al. to eliminate the provision requiring the filing of special reports 60 days before the acquisition of any firm engaged in the baking industry. The order required the divestiture of certain baking companies and prohibited Continental from acquiring companies engaged in the production and sale of bread and bread-type rolls for a period of 10 years without prior Commission approval. The order provision was set aside because the reporting requirements under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 would monitor any of Continental's acquisitions that might raise anticompetitive concerns.

## Coffee, Sugar and Cocoa Exchange

The Commission vacated a 1955 consent order at the request of the Coffee, Sugar and Cocoa Exchange, formerly known as the New York Coffee and Sugar Exchange, Inc., et al. The order settled charges that the organization used certain restrictive contracts to manipulate the supply of coffee. The order was terminated because the Exchange's conduct and activities are now the exclusive jurisdiction of the Commodity Futures Trading Commission.

## The Southland Corporation

The Commission modified a 1974 consent order with The Southland Corporation to eliminate provisions requiring recordkeeping monitoring reciprocal dealing and to terminate the remaining provisions of the order. The original order settled charges that Southland used reciprocal dealing to gain an unfair competitive advantage over its competitors.

## Damon Corporation

Damon Corporation petitioned the Commission to delete the entire prior-approval provision in a 1978 order restricting Damon's acquisitions. The Commission denied that request and voted to modify the order by easing the company's acquisition restrictions. Under the modified order, Damon may acquire independent medical laboratories of a specified size in 12 areas of the U.S. without obtaining FTC prior approval.

## Endicott-Johnson Corporation

The Commission modified its order with Endicott-Johnson Corporation eliminating an acquisition restriction three years before it would have terminated. The 1965 consent order prohibited the shoe manufacturer from acquiring any company in the shoe industry for a period of 20 years.

## Teac Corp. of America

The 1975 consent agreement with Teac Corp. of America was modified to permit the company to establish non-discriminatory standards for product promotion, display and service for its dealers. The order modification was consistent with last year's Commission actions involving four other firms.

## Consolidated Foods Corporation

The Commission deleted the prior-approval provisions of an order against Consolidated Foods Corporation, at the request of the company.



**Brown Shoe Co.**

Brown Shoe Co.'s petition to vacate a 1966 consent order prohibiting exclusive dealing arrangements with shoe retailers was granted by the Commission. The modified order will allow Brown to distribute its products through practices available to its competitors.

**Diamond Crystal Salt Co.**

The Commission modified a 1960 consent order against Diamond Crystal Salt Co. The order required Diamond to notify the Commission 90 days prior to its planned acquisition of a salt producer or salt distributor. Diamond petitioned the Commission for a one-time waiver of the 90 day notice to acquire the American Salt Co. and the Commission granted this request.

**Nash-Finch Co.**

The Commission dismissed a show cause order involving a Minneapolis based grocery retailer and wholesaler, the Nash-Finch Co. The show cause order was issued after the Commission denied Nash's petition to vacate a 1943 order prohibiting the firm from accepting brokerage fees or any other type of compensation from brokerage dealers. Nash, unwilling to provide sufficient evidence in support of the show cause order, requested a dismissal.

**American College of Obstetricians and Gynecologists**

The Commission modified a 1976 consent order with the American College of Obstetricians and Gynecologists, a medical group representing 90 percent of the nation's obstetricians and gynecologists. The original order settled charges that the group had influenced doctors' fees through the formulation and circulation of relative value studies. Relative value studies are lists of medical procedures and services with associated valuations expressed in non-monetary units, which doctors could convert to fee schedules by using a monetary multiplier. The order directed the group to refrain from formulating or disseminating a relative value scale. In addition, the order restricted the group from entering into discussions with governmental entities relating to the use of relative value studies in health care matters pertaining to reimbursement by third party payers, such as insurance companies. The Commission modified the provision to allow the group to participate in discussions about new types of health care financing. The group, however, remains under order prohibiting its development or circulation of a

William H. Rorer Inc.

The Commission modified a 1967 order with William H. Rorer Inc. by deleting certain restrictions involving Rorer's ability to offer price discounts to retailers. Rorer's petition requested that the order be vacated entirely; however, the Commission retained a provision that prohibits the company from charging competing customers different prices for its products because Rorer had not presented evidence that compliance with the unchanged provision would cause injury to the company.

Armstrong World Industries, Inc.

Armstrong World Industries, Inc., formerly Armstrong Cork Co., petitioned the FTC to modify a 1965 consent agreement which settled charges that Armstrong conspired with its wholesalers to reduce competition in the floor covering market by fixing the resale prices and conditions of sale of its products to retail dealers.



## Procter and Gamble Co.

The 1971 order requiring disclosure of certain facts in "Sweepstakes" advertisements was modified to make the disclosure requirements consistent with the Games of Chance Rule.

## G.R.I. Corporation

The 1972 consent order required G.R.I., a direct mail company selling cosmetics and household products, to disclose "dearly and conspicuously" and in close proximity all conditions of any "free offers" in its advertisements. The order was modified to require disclosure that there are other conditions that a consumer assumes upon accepting the "free offer" and also allows the company to "clearly and conspicuously" disclose the details of the offer anywhere in the advertisement.

## American Home Products Corp.

The order was modified so that its basic provisions are in parity with the Commission's order in Bristol-Myers Company (D. 8917) and Sterling Drug, Inc. (D. 8919). Under the modified order AHP must have a reasonable basis, consisting of reliable scientific evidence, for all therapeutic performance or safety claims.

## General Motors Corp. and Campbell-Ewald Co.

The original consent orders concerned the use of certain camera techniques if the results of competent and reliable tests that use of the techniques, in the context of the ad as a whole, is not deceptive to children.

Carson-Roberts, Inc.

The 1971 consent order with the advertising agency, Ogilvy & Mather U.S., a division of Ogilvy & Mather International, Inc. (successor corporation to Carson-Roberts, Inc.), was modified in accordance with the Mattel, Inc. order described above.

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APPELLATE COURT REVIEW  
OF COMMISSION ORDERS  
AND TRADE REGULATION RULES

Bristol-Myers Co.

On June 25, 1984, the United States Court of Appeals for the Second Circuit affirmed and enforced the Commission's order against Bristol-Myers Company, prohibiting deceptive practices in connection with the advertising of over-the-counter analgesics.

E.I. dupont de Nemours & Co. and Ethyl Corp.

On February 23, 1984, the United States Court of Appeals for the Second Circuit set aside the Commission's decision that price competition in lead-based antiknock gasoline additives had been substantially lessened by certain practices unilaterally adopted by four firms in the industry. The court held that the Commission's findings were not supported by substantial evidence and that the Commission had applied an erroneous legal standard in defining unfair methods of competition under Section 5 of the FTC Act.

Harry & Bryant Co.

On January 12, 1984, the United States Court of Appeals for the Fourth Circuit upheld the Commission's Trade Regulation Rule on Funeral Industry Practices.

Sterling Drug, Inc.

On August 28, 1984, the United States Court of Appeals for the Ninth Circuit affirmed and enforced the Commission's order against Sterling Drug, Inc., prohibiting deceptive practices in connection with the advertising of over-the-counter analgesics.

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SUPREME COURT REVIEW

Grolier, Inc.

On October 11, 1983, the Supreme Court denied Grolier's petition for a writ of certiorari, thereby letting stand the decision of the Ninth Circuit affirming and enforcing the Commission's order prohibiting various deceptive practices in the sale of encyclopedias.

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ECONOMIC REPORTS COMPLETED

"Impact Evaluations of the FTC's Vertical Restraint Cases," edited by Ronald N. Lafferty, Robert H. Lande, and John B. Kirkwood. Sept., 1984.

A collection of several analyses by outside scholars of past FTC vertical restraint cases; the studies found that FTC action sometimes benefitted and sometimes harmed consumer welfare.

"Exclusive Dealing and Vertical Restraints (H.) of



"The Ban on

ECONOMIC WORKING PAPERS

Multi-Market Strategies in a Dominant Firm Industry, Steven C. Salop and David T. Scheffman, April 1984

Advertising Sunk Costs and Barriers to Entry, Ioannis N. Kessides, November 1983

The Measurement of Conjectural Variations in an Oligopoly Industry, Robert P. Rogers, November 1983

A Note on the Equilibrium Auction for Contract Bidding, David M. Barton, November 1983

Tobin's Ratio and Industrial Organization: Further Results, Carl R. Schwinn, December :1983

A General Theory of Hedonic

A Bidding Analysis of Special Interest Regulation: Raising Rivals' Costs in a Rent Seeking Society, Steven C. Salop, David T. Scheffman and Warren Schwartz, September 1984

Did Antitrust Policy Cause the Great Merger Wave? George Bittlingmayer, September 1984

Process Analysis, Capital Utilization, and the Existence of Dual Cost and Production Functions Christopher C. Klein, May 1984

The Growing Supply of Physicians: Has the Market Become More Competitive? Monica Noether, September 1984

The Effect of Government Policy Changes on the Supply of Physicians: Expansion of a Competitive Fringe  
Monica Noether, September 1984

MISCELLANEOUS ECONOMIC POLICY PAPERS

Stephen

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## 7. PRC

FTC joint bureau comments before the Postal Rate Commission (PRC) opposing the rates proposed by the United States Postal Service (USPS) for electronic - computer originated mail.

## 8. ITC

FTC comments to the ITC (Investigation No. 337-TA-133) arguing that trademark protection for product shape should not be granted to a certain U.S. producer of vertical milling machines.

## 9. ITC

FTC oral argument in ITC (Investigation No., 337-TA-133) arguing that trademark protection for product shape should be granted to certain U.S. producers of vertical milling machines.

## 10. New York State Dept. Agriculture and Markets

Commission letter to Joseph R. Gerace, Commissioner of Agriculture and Markets; evaluating the competitive effect of granting or denying new applicants permission

## 15. HUD

FTC joint bureau comments submitted to Department of Housing and Urban Development on whether a notice warning of potential health risks from formaldehyde vapors should be required on manufactured homes.

## 16. FMC

Oral argument before the Federal Maritime Commission arguing that there should be antitrust and consumer welfare considerations regarding competitive restrictions on ports and marine terminals.

## 17. ITC

FTC brief to the International Trade Commission on the Escape Clause Petition for Basic Steel Mill Products.

## 18. FCC

Joint bureau comments in regard to the Federal Communication Commission's Public Notice, Report No. DS-265, dated 3/12/84, on the excess demand for satellite orbital slots. The comments recommended against comparative hearings, and suggested instead that the FCC hold auctions, or lotteries combined with the transferability of slot rights.

## 19. ITC

FTC brief to the International Trade Commission commenting on import relief being sought for refined and blister copper under Section 201 of the Trade Reform Act of 1974.

## 20. FMC

Joint bureau comments to the Federal Maritime Commission on additional arguments for antitrust immunity that were not addressed in our 12/20/83 comments.

## 21. ITC

Brief by the FTC before the International Trade Commission on the Escape Clause Petition for Canned Tuna.

## 22. Alabama

FTC staff letter to the Alabama Supreme Court regarding regulations for lawyer advertising.



## 23. ITC

Prehearing relief brief to the International Trade Commission, regarding import relief being sought for carbon steel under Section 201 of the Trade Act of 1974.

## 24. Colorado

Joint bureau letter to the Department of Regulatory Agencies of the State of Colorado, regarding state law restrictions on commercial practice by physicians, chiropractors, podiatrists, and optometrists in Colorado.

## 25. ITC

Prehearing relief brief intended for submission to the ITC on the Escape Clause Petition for Unwrought Copper.

## 26. DHHS

Commission letter to the Health Care Financing Administration regarding proposed regulations which set forth requirements that certain providers must meet to qualify for Medicare reimbursement.

## 27. Nebraska

Joint bureau comments urging Nebraska Bar Association to recommend that the state Supreme Court permit practicing attorneys in the state "to use advertising and trade names so long as their use is neither false nor deceptive."

## 28. FAA

Joint bureau comments (and testimony at the public hearing) to the Federal Aviation Administration hearing)26.

31. ITC

FTC brief before the Trade Policy Committee (Chaired by the Office of U.S. Trade Representative) to assist in the development of recommendations regarding what action, if any, the President should take in providing import relief of carbon and alloy steel.

32. CPSC

Commission letter to the Consumer Product Safety Commission (CPSC), commenting on a proposed regulatory ~~action~~ ~~document~~

2. Senate Committee on Small Business

FTC staff testimony

9. California State Assembly

Joint bureau comments to the California State Legislature opposing Assembly Bill 3584 which would prohibit the use of rebates and coupons in the sale of alcoholic beverages.

10. Michigan Legislature

FTC joint bureau comments submitted to the Michigan State Legislature on a proposed bill that would create an antitrust exemption for certain exclusive territorial arrangements in the beer and wine industries.

11. Senate Commerce Committee

Commissioner Douglas testified on behalf of the Commission before the Senate Commerce Committee on S. 707, the Domestic Content Bill.

12. California State Assembly

Joint bureau comments on proposed changes in the regulation of the Department of Alcoholic Beverage control that would restrict the use of rebates and coupons in the sale of alcoholic beverages.

13. House Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business

Winston S. Moore, Assistant Director for Planning of the Bureau of Competition, presented joint bureau testimony before the House Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business on "Regulated Monopolies Competition with Small Business." The focus of the testimony was on the competitive concerns arising from utilities' competition with small business in the supply, installation, and service of heating and cooling systems.

14. House Subcommittee on Commerce, Transportation, and Tourism

Testimony by Barbara Clark, Deputy Director of the Bureau of Competition, before the Subcommittee on Commerce, Transportation, and Tourism, on H.R. 5305, the auto fleet sales bill.

15. Senate Committee on Commerce, Science, and Transportation

Letter to Bob Packwood, Chairman, Senate Committee on Commerce, Science, and Transportation on the redrafted version of S.286, the Office Machine and Equipment Dealers Act,

which Senator Exon proposed to offer as a substitute for the existing version of the bill.

16. Senate Subcommittee on Aviation, Committee on Commerce, Science, and Transportation

Testimony by James C. Miller III on "CAB Sunset." Chairman Miller presented FTC's views on the relative merits of transferring consumer protection authority for airline passengers from CAB - when the agency expires at the end of the year - to either FTC or Department of Transportation (DOT) and also whether DOT should receive antitrust authority over commercial carriers, now scheduled to be transferred to Department of Justice.

17. California State Assembly

Joint bureau letter to the California Assemblyman Art Agnos, regarding a bill that would allow an optometrist or group of optometrists to operate any number of branch, offices.

18. Senate Committee on the Judiciary

Testimony by Timothy J. Muris, Bureau Director for the Bureau of Competition on S. 2051 Health Care Cost Containment Act of 1984 before the Senate Committee on the Judiciary.

19. Chicago City Council

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tometrists and dentists, and on other forms of business associations between them and non-licensees, including limitation's on trade name and other non-deceptive advertising.

C. Amicus Curiae Briefs

1. Court of International Trade

FTC motion for participation by the FTC as amicus curiae before the Court of International Trade on countervailing duty and antidumping cases involving nitrocellulose.

2. Court of Appeals of the State of California

FTC amicus curiae brief involving an administrative interpretation of California statute regulating the sale of alcoholic beverages. The interpretation would restrict price competition by prohibiting cash rebates to retail purchasers of Taylor California Cellars wine.

3. Court of International Trade

FTC amicus curiae brief to the Court of International Trade commenting on whether the financial assistance the Spanish government gives to certain uncreditworthy carbon steel producers should be considered a subsidy.

4. Iowa Supreme Court

FTC amicus curiae brief to the Iowa Supreme Court commenting for the limited purpose of addressing the impact on consumer welfare and on competition that results from restrictions on otherwise truthful, non-deceptive attorney advertising.

5. Illinois Supreme Court

Brief by the FTC as amicus curiae before the Illinois Supreme Court arguing that Illinois' real estate restrictions discourage informed choice and price competition.