

and asbestos, hair, wood wool, and kindred products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, gratuities such as liquor, cigars, meals, theater tickets, valuable presents, or entertainment, consisting of amusements or diversions of any kind whatsoever.

FEDERAL TRADE COMMISSION *v.* THE HOOVER SUCTION SWEEPER CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF THE ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket No. 238.—May 27, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of vacuum sweepers gave and offered to give to employees of customers and of competitors' customers cash bonuses and prizes as an inducement for them to push the sale of its goods with the purchasing public: *Held*, That such gifts and offers to give, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Hoover Suction Sweeper Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, the Hoover Suction Sweeper Co., is now and was at all times hereinafter mentioned a corporation organized, existing, and doing business

under and by virtue of the laws of the State of Ohio, having its principal factory, office, and place of business located at the town of North Canton in said State, and with branch office located in the city of New York, State of New York, now and for more than two years last past engaged in the manufacture and sale of vacuum sweepers among the several States of the United States, the Territories thereof, and the District of Columbia, in direct competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, the Hoover Suction Sweeper Co., in the conduct of its business manufactures such vacuum sweepers so sold by it in its factory located at the town of North Canton, State of Ohio, and purchases and enters into contracts of purchase for the necessary component materials needed therefor in different States and Territories of the United States, transporting same through other States of the United States in and to the said town of North Canton, where they are made into the finished product and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among other States and Territories of the United States, the District of Columbia, and foreign countries, and there is continuously and has been at all times hereinafter mentioned a constant current of trade in commerce in the said vacuum sweepers between and among the various States of the United States, the Territories thereof, the District of Columbia, and foreign countries, and especially to and through the town of North Canton, State of Ohio, and therefrom to and through other States of the United States, the Territories thereof, the District of Columbia, and foreign countries.

PAR. 3. That in the course of its business of manufacturing and selling vacuum sweepers in interstate commerce the respondent, the Hoover Suction Sweeper Co., for more than one year last past has been giving and offering to give to employees of both its competitors and the employees of dealers handling and selling the products of its competitors, as an inducement to influence them to push or favor the sale of respondent's products over those of its competitors, cash bonuses and prizes.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission, having reason to believe that the above-named respondent, the Hoover Suction Sweeper Co., has been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public, and fully stating its charges in that respect; and the respondent having entered its appearance by C. G. Herbruck, its attorney, duly authorized and empowered to act in the premises, and having filed its answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth, and denying others therein contained, and thereafter having made and executed an agreed statement of facts which has been heretofore filed in which it is stipulated and agreed by the respondents that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument: therefore, the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusions.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Hoover Suction Sweeper Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Ohio, with its principal offices and place of business located at the town of North Canton, in said State; that the said respondent is now and for more than two years last past has been engaged in the manufacture and sale of vacuum sweepers among the several States of the United States, the Territories thereof, and the District of Columbia in direct com-

petition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the Hoover Suction Sweeper Co., in the conduct of its business, manufactures such vacuum sweepers so sold by it in its factory located at the town of North Canton, State of Ohio; that after said products are so manufactured they are continuously moved to, from, and among other States and Territories of the United States, and there is continuously and has been at all times a constant current of trade and commerce in the said vacuum sweepers between and among the various States of the United States, the Territories thereof, the District of Columbia, and foreign countries.

PAR. 3. That in the course of its business of manufacturing and selling vacuum sweepers in interstate commerce, the respondent, the Hoover Suction Sweeper Co., within the year last past, has given and offered to give employees and salesmen of dealers who handle and sell the products of respondent and those of certain of its competitors cash bonuses and prizes as an inducement to influence such employees or salesmen to push the sale of respondent's products.

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to the facts under the circumstances therein set forth are unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, the Hoover Suction Sweeper Co., having entered its appearance by C. G. Herbruck, its attorney, duly authorized and empowered to act in the premises, and having filed its answer and thereafter having made, executed, and filed an agreed statement of facts in which it stipulated and agreed that the Federal

Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusions that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered that the respondent, its officers, agents, representatives, servants and employees cease and desist from directly or indirectly—

Giving or offering to give cash bonuses or prizes to employees or salesmen of dealers who handle and sell vacuum sweepers of the respondent and of one or more of the respondents' competitors, when such employees or salesmen have been instrumental in making a sale of vacuum sweepers manufactured by the respondent.

FEDERAL TRADE COMMISSION *v.* C. R. FENTON
AND F. P. FENTON, COPARTNERS, STYLING
THEMSELVES STANDARD SOAP MANUFACTURING CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket No. 260.—May 27, 1919.

SYLLABUS.

Where a concern engaged in the manufacture and sale of soap and kindred products gave and offered to give to employees of customers and of competitors' customers, without the knowledge and consent of their employers, gratuities, including money and other

things of value, as an inducement to influence their employers to purchase its goods or to refrain from dealing with its competitors: *Held*, That such gifts and offers to give, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that C. R. Fenton and F. P. Fenton, copartners, doing business under the firm name and style of Standard Soap Manufacturing Co., hereinafter referred to as respondents, have been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondents, C. R. Fenton and F. P. Fenton, are copartners doing business at Woonsocket, in the State of Rhode Island, under the firm name and style of Standard Soap Manufacturing Co., and are now and for more than one year last past have been engaged in manufacturing and selling soap and kindred products throughout the States and Territories of the United States, and at all times herein mentioned said respondents have carried on and conducted such business in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That, in the course of their business of manufacturing and selling soap and kindred products throughout the States and Territories of the United States, the respondents, for more than one year last past, have been giving and offering to give to employees of both their customers and prospective customers and their competitors' customers and prospective customers, without the knowledge and consent of their employers, gratuities such as money and other

things of value, as an inducement to influence their respective employers to purchase or contract to purchase from the respondents, soap and kindred products, or to influence such customers to refrain from dealing or contracting to deal with competitors of the respondents.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission, having issued and served its complaint herein, wherein it is alleged that it had reason to believe that the above-named respondents, C. R. Fenton and F. P. Fenton, copartners, doing business under the firm name and style of Standard Soap Manufacturing Co., have been and now are using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in this respect, and the respondents having entered their appearance by James H. Rickard, jr., their attorney, and having filed their amended answer admitting that the matters and things alleged in the said complaint are true in the manner and form therein set forth, and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report, stating its findings as to the facts, and its order disposing of this proceeding without the introduction of testimony in support of the same and waiving any and all right to the introduction of such testimony, the Commission makes this report and findings as to the facts and conclusions.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondents, C. R. Fenton and F. P. Fenton, are copartners, doing business at Woonsocket, in the State of Rhode Island, under the firm name and style of Standard Soap Manufacturing Co., and for more than one year last past have been engaged in the business of manufacturing and selling soap and kindred prod-

ucts throughout the States and Territories of the United States in direct competition with other persons, firms, co-partnerships, and corporations manufacturing and selling like products.

PAR. 2. That for more than one year last past, the respondents have given and offered to give employees of both their customers and prospective customers, and their competitors' customers and prospective customers, without the knowledge and consent of their employers, gratuities, such as money and other things of value, as an inducement to influence their employers to purchase or to contract to purchase from the respondents, soap and kindred products, or to influence such customers to refrain from dealing or contracting to deal with competitors of respondents.

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to facts in paragraph 2, and each and all of them, are under the circumstances therein set forth, unfair methods of competition in interstate commerce in violation of the provisions of section 5 of the act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission, having issued and served its complaint herein, and the respondents having entered their appearance by James H. Rickard, jr., their attorney, and having filed their amended answer admitting that the matters and things alleged and contained in the said complaint are true in the manner and form therein set forth and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report stating its findings as to the facts and its order disposing of this proceeding without the introduction of testimony in support of the same, and waiving any and all right to the introduction of such testimony and the Commission having made and filed its report containing the findings as to the facts and its conclusions that the respondents have violated section 5 of an

act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, that the respondents, C. R. Fenton and F. P. Fenton, copartners, doing business under the firm name and style of Standard Soap Manufacturing Co., and their agents, servants, and employees, cease and desist from directly or indirectly—

Giving or offering to give employees of their customers or prospective customers or those of their competitors' customers or prospective customers as an inducement to their influencing their employers to purchase or to contract to purchase from the respondents, soap and kindred products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondents, without other consideration therefor, money and other things of value.
