

Complaint.

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FEDERAL TRADE COMMISSION

v.

WOODLEY SOAP MANUFACTURING CO.

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

Docket 289.—September 12, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of soap and kindred products, gave and offered to give to employees of its customers and prospective customers, gratuities such as cigars, meals, and entertainment as an inducement for them 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 the Woodley Soap Manufacturing Co., hereinafter referred to as respondent, is now and for more than a year last past has been 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 Woodley Soap Manufacturing Co., a corporation organized and existing and doing business under and by virtue of the laws of the State of Massachusetts, having its principal office and place of business at the city of Boston, in the State of Massachusetts, is now and for more than one year last past has been engaged in manufacturing and selling soap and kindred products throughout the States and Territories of the United States, and that at all times hereinafter mentioned

the respondent has carried on and conducted such business in competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That in the course of its business of manufacturing and selling soap and kindred products throughout the States and Territories of the United States the respondent is now and for more than one year last past has been secretly giving and offering to give to employees of both its customers and prospective customers, and its competitors' customers and prospective customers, as an inducement to influence their employers to purchase or contract to purchase from the respondent soap and kindred products, without other consideration therefor, gratuities, such as liquor, cigars, meals, and entertainment.

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 respondent, Woodley Soap Manufacturing Co., has been and now 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 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 respondent having filed its answer admitting that it has occasionally given and offered to give cigars, meals, and entertainment to employees of customers and prospective customers, and praying 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, the Commission makes this report and findings as to the facts and conclusion of law:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Woodley Soap Manufacturing Co., is a corporation organized, existing, and doing

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business under and by virtue of the laws of the State of Massachusetts, with its home office located at the city of Boston, in said State of Massachusetts, now and for more than one year last past engaged in the business of manufacturing and selling soap and kindred products generally in commerce throughout the States and Territories of the United States in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That for more than one year last past the respondent has given and offered to give employees of both its customers and prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent, soap 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 consisting of cigars, meals, and entertainment.

CONCLUSION.

That the methods of competition set forth in the foregoing findings as to facts in paragraph 2 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 respondent having filed its answer admitting that it has occasionally given and offered to give cigars, meals, and entertainment, and praying 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 the Commission hav-

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ing made and filed its report containing its findings as to the facts and its conclusion 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,

Be it ordered, That the respondent, Woodley Soap Manufacturing Co., and its officers, directors, agents, servants, and employees cease and desist from directly or indirectly giving or offering to give employees of its customers or prospective customers or those of its competitors' customers or prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent soap 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 cigars, meals, and entertainment, or other gratuities.

NOTE.—The cases in the following table involve substantially the same set of facts as the preceding case, namely, gifts of liquor, cigars, meals, and entertainment to employees of customers and prospective customers of the donor, and, in one case, of the donor's competitors, as an inducement to influence their employers to purchase the donor's goods, and, in most instances, to refrain from dealing with its competitors:

TABLE.

Date.	Dock. No.	Respondent.	Location.	Commodity.	Answer, stipulation, or trial.
1919. Sept. 12	296	Dobbins Soap Mfg. Co.	Philadelphia, Pa.	Soap and kindred products.	Answer and consent.
12	297	India Alkali Works.	Boston, Mass....	Savogran, washing powders, and kindred products.	Do.
12	299	U. S. Oil & Supply Co.	Providence, R.I.	Oil, soap, and mill supplies.	Do.
24	285	The Original Bradford Soap Works, Inc.	do.....	Soap and kindred products.	Stipulation.
1920. an. 29	495	The Henry Johnson Co.	Jersey City, N. J.	Engine packings, engine supplies, and similar products.	Answer and consent.

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FEDERAL TRADE COMMISSION

v.

F. E. ATTEAUX & CO., INC.

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

Docket 86.—September 24, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of dye-stuffs and chemicals—

- (a) systematically and on a scale far beyond customary social entertainment and hospitality gave to employees of customers and prospective customers, and of competitors' customers and prospective customers, gratuities, such as liquors, cigars, meals, theater tickets, valuable presents, and entertainment, as an inducement for them to influence their employers to purchase its goods and to refrain from dealing with its competitors;
- (b) secretly, systematically, and on a large scale paid to employees of customers and prospective customers, and of competitors' customers and prospective customers, without the knowledge or consent of their employers, large sums of money as an inducement for them to influence their employers to purchase its goods and to refrain from dealing with its competitors; and
- (c) secretly loaned to employees of customers and prospective customers, and of competitors' customers and prospective customers, without the knowledge or consent of their employers, large sums of money as an inducement for them to influence their employers to purchase its goods and to refrain from dealing with its competitors:

Held, That the making of such gifts, payments, and loans, 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 F. E. Atteaux & Co., hereinafter referred to as respondent, has been for more than a year last past using 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," 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, F. E. Atteaux & Co., is a corporation organized and existing and doing business under and by virtue of the laws of the State of New Jersey, having its principal office and place of business at the city of Boston, in the State of Massachusetts, and is now and for more than one year last past has been engaged in manufacturing and selling dyestuffs and chemicals throughout the States and Territories of the United States, and that at all times hereinafter mentioned the respondent has 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 its business of manufacturing and selling dyestuffs and chemicals throughout the States and Territories of the United States the respondent for more than one year last past has been, systematically and on a large scale, giving and offering to give to employees of both its customers and prospective customers and its competitors' customers and prospective customers as an inducement to influence their employers to purchase or contract to purchase from the respondent dyestuffs and chemicals, or to influence such customers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, gratuities, such as liquors, cigars, meals, theater tickets, valuable presents, and entertainment.

PAR. 3. That in the course of its business of manufacturing and selling dyestuffs and chemicals throughout the States and Territories of the United States the respondent for more than one year last past has been systematically and on a large scale secretly paying and offering to pay to employees of both its customers and prospective customers and its competitors' customers and prospective customers, without the knowledge and consent of their employers and without other consideration therefor, large sums of money as an induce-

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ment to influence their said employers to purchase or contract to purchase from the respondent dyestuffs and chemicals or to influence such customers to refrain from dealing or contracting to deal with competitors of the respondent.

PAR. 4. That in the course of its business of manufacturing and selling dyestuffs and chemicals throughout the States and Territories of the United States the respondent for more than one year last past has been systematically and on a large scale secretly loaning and offering to loan to employees of both its customers and prospective customers, and its competitors' customers and prospective customers, without the knowledge and consent of their employers and without other consideration therefor, large sums of money as an inducement to influence their said employers to purchase from the respondent dyestuffs and chemicals or to influence such customers to refrain from dealing or contracting to deal with the competitors of the respondent.

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 has reason to believe that the above-named respondent, F. E. Atteaux & Co., Inc., 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 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 its attorney, Francis M. Carroll, and testimony having been introduced on behalf of the Commission and the respondent, and the attorneys for the Commission and the respondent having submitted briefs as to the law and the facts, waiving oral argument to the Commission thereon, the Commission makes this report and findings as to the facts and conclusions.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, F. E. Atteaux & Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Massachusetts, having its principal office and place of business in the city of Boston in the State of Massachusetts, and is now, and for more than one year last past has been, engaged in manufacturing dyestuffs and chemicals and selling same throughout the States and Territories of the United States and the District of Columbia, in direct competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, F. E. Atteaux & Co., Inc., in the course of its business of manufacturing and selling dyestuffs and chemicals throughout the several States of the United States and the District of Columbia, for more than one year last past has been giving systematically and on a scale far beyond ordinary social entertainment and hospitality, to employees of both its customers and prospective customers and its competitors' customers and prospective customers, as an inducement to influence their employers to purchase from respondent dyestuffs and chemicals and to influence such customers to refrain from dealing with competitors of the respondent, without other consideration therefor, gratuities, such as liquors, cigars, meals, theater tickets, valuable presents, and entertainment.

PAR. 3. That in the course of its business of manufacturing and selling dyestuffs and chemicals in interstate commerce throughout the various States and Territories of the United States the respondent for more than one year last past has been systematically and on a large scale secretly paying to employees of both its customers and prospective customers, and its competitors' customers and prospective customers, without the knowledge or consent of their employers and without other consideration therefor, large sums of money as an inducement to influence their employers to purchase or contract to purchase from respondent dyestuffs and chemicals, and further to prevent such customers and purchasers

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from dealing or contracting to deal with competitors of respondent.

PAR. 4. That respondent, in the course of its business of manufacturing and selling dyestuffs and chemicals throughout the States and Territories of the United States and the District of Columbia for more than one year last past secretly loaned to employees of both its customers and prospective customers and its competitors' customers and prospective customers, without the knowledge or consent of their employers, and without other consideration therefor, large sums of money as an inducement to influence their said employers to purchase from respondent dyestuffs and chemicals, and to refrain from purchasing said commodities from competitors of respondent.

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to the facts in paragraphs 2, 3, 4, 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 respondent, F. E. Atteaux & Co., Inc., having filed its answer admitting certain allegations of the complaint and denying certain others thereof, and testimony having been introduced on behalf of the Commission and the respondent, and the attorneys for the Commission and the respondent having submitted briefs as to the law and facts in said proceeding, waiving oral argument thereon, and the Commission having made and filed its report containing its findings as to the facts and its conclusions that the respondent has violated 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," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, F. E. Atteaux & Co., Inc., its officers, directors, agents, representatives, servants, and employees, cease and desist from directly or indirectly—

(1) Giving or offering to give to employees of customers and prospective customers or to employees of its competitors' customers and prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent dyestuffs, chemicals, 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 liquors, cigars, meals, theater tickets, valuable presents, and other personal property; and entertainment, consisting of amusements or diversions of any kind whatsoever.

(2) Giving or offering to give employees of its customers or prospective customers, or those of its competitors' customers or prospective customers, as an inducement to influence their employers to purchase or to contract to purchase from the respondent, dyestuffs, chemicals, and kindred products, or to influence such employers to refrain from dealing or contracting to deal with competitors of respondent, without other consideration therefor, sums of money or any other gratuity.

(3) Loaning or offering to loan to employees of its customers or prospective customers, or those of its competitors' customers or prospective customers, as an inducement to influence their employers to purchase or to contract to purchase from the respondent, dyestuffs, chemicals, 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, money.

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FEDERAL TRADE COMMISSION

v.

THE ROYAL CINEMA CORPORATION, THE
MOTHERS OF LIBERTY PICTURES CO., AND
MONOPOLE PICTURES CO.

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

Docket 208.—September 24, 1919.

SYLLABUS.

1. Where a corporation and a natural person, engaged in the business of producing, selling, and leasing motion-picture films, respectively—
 - (a) produced and distributed a picture called "Mothers of Liberty," made up in large part of film from a certain picture which, as "The Ordeal," had become well known to motion-picture dealers and to the general public;
 - (b) failed to indicate in their advertising matter accompanying said picture that a portion of the same had already been shown as "The Ordeal" (the film itself giving no notice to that effect); and
2. Where an individual engaged in the business of selling, leasing, exploiting, and exhibiting motion-picture films and advertising matter—
 - (a) sold, exploited, and exhibited said "Mothers of Liberty" to motion-picture exhibitors and the motion-picture theater-going public without apprising them of the fact that a portion of the same had been previously shown as "The Ordeal";
 - (b) distributed advertising and publicity matter in connection with the exploiting and exhibiting of said "Mothers of Liberty" pictures, also without indicating that a part thereof had already been shown as "The Ordeal";

With the result that the various acts above set forth misled the motion-picture theater-going public into the belief that said "Mothers of Liberty" was new, and had never theretofore been shown or exhibited; and where said person

- (c) falsely accused a motion-picture exhibitor, who refused to lease and exhibit the said "Mothers of Liberty" because a large portion of the picture had already been shown, of being disloyal to the Government and a German sympathizer:

Held, That such relabeling, advertising, and sales, and such false accusations, under the circumstances set forth, constituted unfair methods of competition in violation of section 5 of the act of September 26, 1914.

Complaint.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Royal Cinema Corporation, the Mothers of Liberty Pictures Co., and Monopole Pictures Co., hereinafter referred to as respondents, have been and 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 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, the Royal Cinema Corporation, The Mothers of Liberty Pictures Co., and Monopole Pictures Co. are corporations organized, existing, and doing business under and by virtue of the laws of the State of New York, with their principal offices and places of business located at the city of New York, in said State, now and at all times hereinafter mentioned engaged in the business of producing, leasing, selling, and exhibiting motion pictures generally in commerce throughout the various States of the United States, the Territories thereof, and the District of Columbia in competition with other persons, firms, co-partnerships, and corporations similarly engaged.

PAR. 2. That on October 22, 1914, a motion picture entitled "The Ordeal" was registered in the United States Copyright Office, its registration number being L-3574, and thereafter such picture was shown and exhibited throughout the States of the United States and became well and generally known to motion-picture dealers or exhibitors and to the general public.

PAR. 3. That the respondents, the Royal Cinema Corporation, The Mothers of Liberty Pictures Co., and Monopole Pictures Co., for more than one year last past, with the purpose, intent, and effect of stifling and suppressing competition in the motion-picture industry in interstate commerce, have produced, sold, leased, exhibited, and advertised, and

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offered to sell, lease, exhibit, and advertise, a certain motion picture named and styled "Mothers of Liberty," which is made almost entirely of the aforesaid copyrighted picture, "The Ordeal," without notifying, apprising, or informing exhibitors and the general public that it was such; that such practices are calculated and designed to and do defraud and deceive the trade and the motion-picture theater-going public, and mislead them into the belief that said "Mothers of Liberty" is a new and original picture, never before exhibited or produced.

PAR. 4. That within the year last past the respondents, the Royal Cinema Corporation, The Mothers of Liberty Pictures Co., and Monopole Pictures Co., with the purpose, intent, and effect of stifling and suppressing competition in the motion-picture industry in interstate commerce, have threatened and accused certain motion-picture dealers or exhibitors of refusing to lease, book, or exhibit said "Mothers of Liberty" picture for the reason that they, the said dealers or exhibitors, were German sympathizers and disloyal to the Government of the United States of America; that such accusations were false and defamatory, calculated and designed to hinder, harass, embarrass, and restrain such dealers or exhibitors in the conduct of their business.

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, the Royal Cinema Corporation, the Mothers of Liberty Pictures Co., and Monopole Pictures Co., have been and now are using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of the Federal Trade Commission act, and that a preceeding 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 Harry G. Kosch, Esq., their attorney, duly authorized to act in the premises, and having filed their several answers admitting

certain of the matters and things alleged in the said complaint and denying others therein contained, and thereafter the respondents, the Royal Cinema Corporation and Monopole Pictures Co., having entered into an agreed statement of facts wherein it was stipulated and agreed that the Commission should proceed forthwith upon the same to make and enter its report and findings and order without the introduction of testimony or the presentation of argument, and thereafter the Commission, pursuant to notice, having taken testimony in support of the charges in its complaint against the respondent, the Mothers of Liberty Pictures Co., in the city and State of New York, before Alfred P. Thom, examiner of aforesaid Commission, and the said respondent, the Mothers of Liberty Pictures Co., having failed to appear at such hearing before said examiner, and having made default, the 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 Royal Cinema Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at the city of New York in said State.

PAR. 2. That the respondent, George Merrick, is a resident of the city of New York, State of New York, doing business under the registered trade name of Monopole Pictures Co., with his principal office and place of business located in said city and State.

PAR. 3. That said respondents are now and for more than one year last past have been engaged in the business of producing, selling, and leasing motion-picture films generally in commerce throughout the various States of the United States, the Territories thereof, and the District of Columbia in competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 4. That on October 22, 1914, a motion-picture entitled "The Ordeal" was registered in the United States Copyright Office, its registration number being L-3574, and

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thereafter such picture was shown and exhibited throughout the States of the United States and became well and generally known to motion-picture dealers and to the general public.

PAR. 5. That the respondent, Royal Cinema Corporation, within the year last past, purchased the negative of said motion picture, "The Ordeal," from the owners thereof and thereafter made and purchased a picture named or known as "Mothers of Liberty," which consisted of six reels of approximately 5,000 feet of motion-picture films, which was made up of approximately 2,200 feet of motion-picture film of the aforesaid picture named and styled "The Ordeal."

PAR. 6. That after the production of said "Mothers of Liberty" picture by the respondent, Royal Cinema Corporation, said respondent turned over the rights to distribute prints of same to the respondent, George Merrick, doing business under the registered trade name of Monopole Pictures Co., and the said Merrick, as distributor of the same, sold and leased positive prints of said pictures generally in commerce throughout various States of the United States.

PAR. 7. That the advertising matter produced by the respondents and which accompanied said picture contained no indication whatsoever that a portion of the same had been taken from the picture named and styled "The Ordeal," and there was no notice given in the picture film itself to this effect.

PAR. 8. That the Mothers of Liberty Picture Co. is the registered trade name under which the respondent, Clara Mainthau, whose residence, office, and principal place of business is in the city and State of New York, has for more than one year last past engaged in the business of selling, leasing, exploiting, and exhibiting motion-picture films and advertising matter to be used in connection with the same in different parts of the States of New York and New Jersey.

PAR. 9. That the respondent, Clara Mainthau, within the two years last past has advertised, sold, leased, exploited, and exhibited and offered to sell, lease, exploit, and exhibit the above-mentioned and described the "Mothers of Liberty" picture to motion-picture exhibitors and the motion-theater-going public in the States of New York and New Jersey

without apprising them of the fact that a portion of said picture had been previously shown and exhibited under the name or title of "The Ordeal."

PAR. 10. That the respondent, Clara Mainthau, within the two years last past has sold, distributed, and circulated, and offered to sell, distribute, and circulate bill posters, heralds, slides, and other advertising and publicity matter used in connection with the exploiting and exhibiting of said the "Mothers of Liberty" picture, which contained no indication, statement, or reference whatsoever that a portion of the same had previously been shown and exhibited to [the] public under the name or title of "The Ordeal."

PAR. 11. That said "Mothers of Liberty" picture, when produced, sold, leased, and advertised as aforesaid and exhibited to the motion-theater-going public, had the capacity, tendency, and effect of causing such public to be misled into the belief that all of such picture was new and had never theretofore been shown or exhibited to the motion-theater-going public, whereas, in truth and in fact, approximately 2,200 feet of the film constituting the picture called the "Mothers of Liberty" was not new film but was taken from and a part of the aforesaid picture named and styled "The Ordeal."

PAR. 12. That within the two years last past an agent and representative of the respondent, Clara Mainthau, while acting within the scope of his authority, threatened and accused at the city of Hoboken, State of New Jersey, a certain motion-picture exhibitor or dealer who refused to lease, book, exploit, and exhibit the said the "Mothers of Liberty" picture of being disloyal to the Government of the United States and a German sympathizer; that said exhibitor was a loyal American citizen and refused to lease, book, exploit, and exhibit such picture for the reason that a large portion of the same had theretofore been exploited and exhibited under the name and title of "The Ordeal."

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to the facts in paragraphs 1 to 12, inclusive,

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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 Harry G. Kosch, their attorney, duly authorized to act in the premises, and having filed their several answers, and the respondents, the Royal Cinema Corporation and the Monopole Pictures Co., having stipulated and agreed that the Commission should proceed to forthwith make and enter its report and findings and order on a certain agreed statement of facts heretofore filed without the introduction of testimony or argument, and the Commission having introduced testimony in support of its complaint against the respondent, The Mothers of Liberty Pictures Co., pursuant to notice before a duly authorized examiner of said Commission, and such respondent having defaulted and failed to appear before said examiner, and the Commission having made and filed its report containing its 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, the Royal Cinema Corporation, George Merrick, doing business under the registered trade name of Monopole Pictures Co., and Clara Mainthau, doing business under the registered trade name of The Mothers of Liberty Pictures Co., all of the city and State of New York, their agents, servants, representatives, and employees cease and desist from directly or indirectly advertising, selling, leasing, exploiting, and exhibiting to motion-picture exhibitors and the motion-picture theater-

going public motion-picture films under new names or titles which have been composed or made, in whole or in part, of films theretofore shown and exhibited to the public unless it is clearly, distinctly, definitely, and unmistakably shown to the purchasers, lessees, or exhibitors, and the motion-theater-going public, both in the motion-picture films themselves and in the advertising and publicity matter sold and used in connection therewith that such films have theretofore been shown, exhibited, and exploited, in whole or in part, under other names or titles.

It is further ordered, That the respondent, Clara Mainthau, of the city and State of New York, doing business under the registered trade name of The Mothers of Liberty Pictures Co., her agents, representatives, servants, and employees cease and desist from directly or indirectly accusing or threatening to accuse of disloyalty to the Government of the United States motion-picture exhibitors who refuse to purchase or lease for exhibition from such respondent motion-picture films for the reason that the same have theretofore been shown and exhibited to the public under other names or titles.

FEDERAL TRADE COMMISSION

v.

JAMES B. SCHAFER, TRADING UNDER THE NAME
AND STYLE OF THE UNIVERSAL BATTERY
SERVICE CO. AND UNIVERSAL BATTERY SERV-
ICE CO., INC.