# CARTER PAINT CO.

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

Docket 236—December 30, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of roof and metal paints, waterproofing preparations, and similar products, gave and offered to give to employees of customers, premiums consisting of silverware, suits, hats, traveling cases, watches, clocks, talking machines, and other articles of value as 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 Carter Paint 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 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 Carter Paint Co., is a corporation, organized and existing and doing business

under and by virtue of the laws of the State of Indiana, having its principal office and place of business at the city of Liberty in said State, and is now and for more than one year last past has been engaged in manufacturing and selling roof and metal paints, waterproofing preparations, and similar products throughout the State and Territories of the United States, and the District of Columbia, 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, with the intent, purpose, and effect of stifling and suppressing competition in interstate commerce in the manufacture and sale of roof and metal paints, waterproofing preparations, and similar products, the respondent, for more than one year last past has been giving and offering to give premiums consisting of silverware, suits, hats, traveling cases, watches, clocks, talking machines, and other personal property, to salesmen of jobbers handling the products of the respondent and those of its competitors, as an inducement to push the sales of respondent's products in preference to the products of its competitors.

## 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 Carter Paint Co., hereinafter referred to as the respondent, 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 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 thereto would be to the interest of the public, and fully stating its charges in that respect, and the respondent having entered its appearance by George W. Pigman and L. L. Bracken, its attorneys, and the respondent

having filed its answer admitting that certain matters and things alleged in said complaint are true in the manner and form therein set forth and denying others therein contained, and the Commission having offered testimony in support of its charges in said complaint and the respondent having offered testimony in its behalf, and the attorneys for the commission and the respondent having submitted their briefs as to the law and the facts, the Commission makes this report and findings as to the facts and conclusion:

## FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Carter Paint Co., is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Indiana, having its principal office and place of business at the town of Liberty, State of Indiana, and is now and for more than one year last past has been engaged in manufacturing and selling roof and metal paints, waterproofing preparations, and similar products throughout the States and Territories of the United States and the District of Columbia, 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 roof and metal paints, waterproofing preparations, and similar products in interstate commerce, the respondent, the Carter Paint Co., for more than a year last past has given and offered to give employees and salesmen of dealers who handle and sell the products of the respondent and those of certain of its competitors, premiums consisting of silverware, suits, hats, traveling cases, watches, clocks, talking machines, and other personal property, as an inducement for them to give attention to and push the sale of the respondent's products.

## CONCLUSION.

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 com-

merce, in violation 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 Carter Paint Co., having entered its appearance by George W. Pigman and L. L. Bracken, its attorneys, and having filed its answer admitting certain allegations of the complaint and denying certain others thereof, and the Commission having offered testimony in support of its charges in said complaint, and the respondent having offered testimony in its behalf, and the attorneys for the commission and the respondent having submitted their briefs as to the law and the facts, and the Commission having 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,

*It is ordered*, That the respondent, the Carter Paint Co., its officers, directors, agents, representatives, servants, and employees, cease and desist from directly or indirectly giving or offering to give premiums or prizes of any kind whatsoever to employees or salesmen of dealers who handle the products of the respondent and of one or more of the respondent's competitors, as an inducement to push the sale of the respondent's products.

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# FEDERAL TRADE COMMISSION