FEDERAL TRADE COMMISSION

v.

THE UTAH BEDDING & MANUFACTURING CO.,

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

Docket 348.—December 30, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of mattresses, bedding, couches, and similar products gave and offered to give to employees of customers cash bonuses as an inducement to push the sale of its mattresses 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 Utah Bedding & Manufacturing Co., hereinafter referred to as 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, Utah Bedding & Manufacturing Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Utah, having its principal office and place of business at the city of Salt Lake, in said State, now and for more than one year last past engaged in manufacturing and selling mattresses, beds, couches, and similar products throughout the States and Territories of the United States and the District of Columbia, and that at all times hereinafter men-

tioned the respondent has carried on and conducted such business in competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent for more than one year last past, with the intent, purpose, and effect of stifling and suppressing competition in the sale of mattresses, beds, couches, and kindred products in interstate commerce, has given and offered to give a cash premium or bonus on the sale of certain mattresses to the salesmen of merchants handling the products of the respondent and those of its competitors as an inducement to influence them to push the sales of respondent's products, to the exclusion of the products of its competitors.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, the Utah Bedding & Manufacturing 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 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 respondent 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 conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Utah Bedding & Manufacturing Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Utah, having its principal office and place of business located at the city of Salt Lake, in said State, and is now and for more than one year last past has been engaged in manufacturing and selling mattresses, bedding, couches, and similar products in interstate commerce, in competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, the Utah Bedding & Manufacturing Co., in the course of its business of manufacturing and selling mattresses, bedding, couches, and similar products in interstate commerce, has within the last three years sold and offered to sell a patented mattress known as the "San O tuf" mattress to merchants in the towns and cities of Utah, Colorado, Idaho, and Wyoming, in or near its selling territory surrounding the city of Salt Lake, and in order to stimulate the sale of such mattresses the respondent has given and offered to give to employees and salesmen of dealers who handle and sell the "San O tuf" mattress and mattresses of certain of its competitors cash bonuses.

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 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 Utah Bedding & Manufacturing Co., 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 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, 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 merchants who handle and sell mattresses, bedding, couches, and similar products of the respondent and of one or more of the respondent's competitors, as an inducement to influence such employees or salesmen to stimulate or push the sale of the respondent's products.

FEDERAL TRADE COMMISSION

v.

J. B. COHEN, TRADING UNDER THE NAME AND STYLE OF THE COLE-CONRAD CO.