

Complaint.

FEDERAL TRADE COMMISSION

v.

CLARA L. DOLL, DOING BUSINESS UNDER THE TRADE
NAME OF BURHAM SAFETY RAZOR COMPANY.

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

Docket 755—March 14, 1922.

SYLLABUS.

Where a dealer in safety razors sold same to the consuming public at from 20 cents to 30 cents each (which was approximately a fair value therefor), in individual containers bearing legends falsely indicating that the razor therein contained usually retailed at, and was worth, \$2.00 or \$2.50, and \$3.00 or \$3.50, respectively; with the effect of misleading purchasers into believing that said figures represented the usual retail price of such razors:

Held, That such mislabeling, or misrepresentation of price, under the circumstances set forth, constituted an unfair method of competition.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that Clara L. Doll, doing business under the trade name of Burham Safety Razor Company, 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 respondent, Clara L. Doll, doing business under the trade name of Burham Safety Razor Company, with her principal place of business at New York, State of New York, is engaged in the business of assembling safety razors and selling the same in or with individual boxes or containers therefor, in the State of New York, and in other States of the United States, and of causing such safety razors, and the boxes or containers so sold to be transported to the purchasers thereof from the State of New York through and into other States of the United States, and in the conduct of such business is in competition with other individuals, copartnerships and corporations similarly engaged.

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PAR. 2. That respondent, in the course of her business as described in paragraph 1 hereof, sells at from twenty cents to sixty-six and two-thirds cents apiece safety razors packed in individual boxes or containers; that such individual boxes or containers containing safety razors are stamped, marked, or branded so as to indicate that the price of the articles is \$2.00 or \$2.50, or \$3.00 or \$3.50; that these prices, stamped, marked or branded on such individual boxes or containers containing safety razors, do not indicate the true value nor actual retail price of said articles; that said prices, thus indicated on said boxes or containers, are fictitious, misleading, and excessive, and are calculated to, and actually do, mislead and deceive the public as to the grade or quality of safety razors contained in said boxes or containers.

PAR. 3. That by reason of the facts set out in the foregoing paragraphs of this complaint, the respondent has been using unfair methods of competition in commerce within the intent and meaning 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."

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

Pursuant to the provisions of an Act of Congress approved September 26, 1914, the Federal Trade Commission issued and served a complaint upon the respondent, Clara L. Doll, doing business under the trade name of Burham Safety Razor Company, charging the respondent with the use of unfair methods of competition in commerce in violation of the provisions of said Act.

The respondent having entered her appearance and filed her answer herein, and having stipulated and agreed that a statement of facts signed and executed by the respondent and Adrien F. Busick, Acting Chief Counsel for the Federal Trade Commission, subject to the approval of the Commission, are the facts in this proceeding and shall be taken by the Federal Trade Commission as such and in lieu of testimony, and that the said Federal Trade Commission shall forthwith proceed upon said agreed statement of facts and the answer herein to make and enter its findings as to the facts, its conclusion and order disposing of this proceeding, without the introduction of testimony, the respondent waiving any and all rights she may have to the introduction of same.

And, thereupon, this proceeding came on for final hearing, and the Commission having duly considered the record and being now fully advised in the premises, makes this its findings as to the facts and conclusion.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Clara L. Doll, doing business under the trade name of Burham Safety Razor Company, has been and now is conducting her said business in the City of New York and State of New York; that S. J. Johnson is and was manager of the said business for the said Clara L. Doll and that said business consists of assembling safety razors, packing them singly in boxes or containers therefor, and selling and causing such safety razors and the boxes or containers in which they are packed, to be transported to purchasers thereof from the City of New York, in the State of New York, through and into other States of the United States, and the District of Columbia, and in the conduct of such business the said respondent is in competition with other individuals, copartnerships and corporations similarly engaged.

PAR. 2. That respondent assembles and sells safety razors packed singly in boxes or containers which are sold to the public at prices ranging from twenty cents (20¢) to thirty cents (30¢) each; that during the months of July, August, and September, 1920, the said respondent was engaged in interstate commerce as hereinbefore set forth, and while engaged in such commerce, packed, sold and transported some of the safety razors so packed and sold by her in boxes which had stamped, marked or printed thereon price marks which indicated that the razors contained therein were worth \$2.00 or \$2.50 and \$3.00 or \$3.50.

PAR. 3. That not all of the safety razors which were sold by respondent during the months of July, August and September, 1920, were sold in boxes or containers with such fictitious prices marked thereon but only a small portion so sold by the respondent was so marked; that such containers so marked do not represent the value of the safety razors contained therein, but such prices marked on said containers were false and fictitious prices, nor were the prices marked thereon the usual or actual retail prices at which such safety razors were sold.

PAR. 4. That the fictitious and misleading prices marked on the containers in which razors were packed and so sold in interstate commerce were calculated to deceive and mislead and did actually mislead and deceive the public as to the grade and quality, or the true value of the razors contained therein, and did actually cause the purchasing public to be mislead and deceived and to believe that the safety razors contained in such boxes or containers were worth the prices printed on such containers or a sum approximating such prices,

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but such razors were really sold for from twenty cents (20¢) to thirty cents (30¢) each, which is approximately a fair and reasonable value for them.

PAR. 5. That the respondent did not make a universal practice of using containers with false and fictitious prices marked thereon but did during the time hereinafter [before] set forth use and introduce into interstate commerce boxes and containers which were purchased as a job lot of boxes that were originally made for the Young Safety Razor Company, of Philadelphia, which had discontinued business, and that said respondent also purchased another job lot of razor boxes from a party who had discontinued business on which were already printed prices; that this supply of these razor boxes having thereupon prices that were far in excess of any reasonable prices for the razors contained therein had become nearly exhausted prior to the time of the filing of the complaint herein; that on such containers as remained respondent immediately thereafter, upon notification from an agent of the Commission, obliterated the said marks or relabeled them with plain, unlettered labels.

PAR. 6. That with the exceptions of the instances set forth in paragraph 5 herein, where two job lots of boxes or containers were purchased from firms which had discontinued business and on which boxes were already printed such false and fictitious prices, the respondent has never used boxes or containers having printed thereon any false, fictitious or misleading prices.

CONCLUSION.

The practices of the respondent under the circumstances described in the foregoing findings are unfair methods of competition in interstate commerce and constitute a violation 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.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondent, and an agreed statement of facts, and the Commission having made its findings as to the facts, with its conclusion that the respondent has violated the provisions 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,"

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Order.

It is now ordered, That the respondent, Clara L. Doll, doing business under the trade name of Burham Safety Razor Company, her manager, agents and employees, do cease and desist from marketing in interstate commerce razors bearing upon the containers in which said razors are packed any false, fictitious or misleading statement of or concerning the price of said razors or any false, fictitious or misleading statement as to the value of the same.

It is further ordered, That the respondent, within sixty (60) days after the date of the service upon her of this order, shall file with the Commission a report in writing setting forth in detail the manner and form in which she has complied with the order of the Commission hereinbefore set forth.

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FEDERAL TRADE COMMISSION DECISIONS.

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