

Complaint.

FEDERAL TRADE COMMISSION

v.

HARRY ROSE, TRADING UNDER THE NAME AND STYLE
OF SHEFFIELD RAZOR COMPANY.COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5
OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 803—March 14, 1922.

SYLLABUS.

Where razors and other cutlery of fine quality had long been made in Sheffield, England, and the word "Sheffield" when applied to such articles had come to mean to the trade and purchasing public articles of high grade and fine quality there made; and thereafter an individual engaged at Norfolk, Va., in the sale by mail of razors purchased by him from domestic merchants exclusively, with the tendency and effect of misleading the purchasing public,

- (a) Adopted and used as a trade name the name Sheffield Razor Company;
- (b) Falsely advertised his concern as "importers and jobbers"; and
- (c) Advertised that he sold a \$5.00 razor for \$1.15 and that purchasers of him at said greatly reduced price saved the middleman's profit, the fact being that said razors, regardless of any middleman's profit, were worth not to exceed the amount asked:

Held, That such misleading adoption and use of trade name, and such false and misleading advertising, under the circumstances set forth, constituted unfair methods of competition.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it, that Harry Rose, trading under the name and style of Sheffield Razor Company, hereinafter referred to as respondent, has been and is using unfair methods of competition 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 carries on business at Norfolk, Virginia, under the name and style of Sheffield Razor Company and is engaged in the business of selling razors and causes razors sold by him to be transported to the purchasers thereof from the State of Virginia through and into other States of the United States; and in carrying on such business, respondent has been in

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direct, active competition with other persons, partnerships and corporations similarly engaged.

PAR. 2. That respondent, in the course of his business as described in paragraph 1 hereof, makes use of advertising matter which he gives general circulation in various States of the United States, in which advertising matter he describes the Sheffield Razor Company as "importers and jobbers," whereas the respondent imports no razors, but sells only an inferior grade of razors made in the United States, and does not do a jobbing business, but only conducts a mail order business in which razors are sold to the consuming public; that the representation in such advertising matter to the effect that the Sheffield Razor Company are importers and jobbers is false and misleading and is calculated to and does mislead and deceive the purchasing public.

PAR. 3. That respondent makes the further statement in the advertising matter described in paragraph 2 hereof that he sells a \$5.00 razor for \$1.15, and that purchasers of such razors from respondent save the middleman's profit, whereas such razors are of inferior quality and are not worth to exceed the prices received for same by respondent in due course of retail trade, and the purchasers of said razors do not save the middleman's profit, for respondent is the middleman in the distribution of such razors and makes an excessive profit on razors so sold by him; that the representations in such advertising matter to the effect that respondent sells a \$5.00 razor for \$1.15, and the purchasers save the middleman's profit are false and misleading, and are calculated to and do mislead and deceive the purchasing public.

PAR. 4. That the use by respondent of the name Sheffield Razor Company, in the business conducted by him as described in paragraph 1 hereof, is calculated to and does mislead and deceive the purchasing public, for the reason that razors of high quality have been manufactured in Sheffield, England, for a long period of time, and the word "Sheffield," when used in connection with razors, has come to be understood by the purchasing public as indicating that such razors are made in Sheffield, England, and are of good quality, and the use of such name by respondent as aforesaid is calculated to and does enable him to pass off an inferior grade of razors as and for razors of good quality made in Sheffield, England.

PAR. 5. That the statements so made by the respondent in respect to its business and the price and nature of the product advertised for sale and sold by it, as set forth in paragraphs 2, 3 and 4 herein, are false and misleading and were, at the time that they were made, known to respondent to be false and misleading, and that they were

made for the purpose of deceiving the purchasing public; that such statements were of a nature calculated to deceive and their natural and probable result was the deception of the purchasing public.

PAR. 6. That by reason of the facts recited, the respondent is using an unfair method of competition in commerce, within the intent and meaning of Section 5 of an Act of Congress entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

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, Harry Rose, trading under the name and style of Sheffield Razor Company, charging him with the use of unfair methods of competition in commerce in violation of the provisions of said Act.

The respondent having failed to file an answer herein and having entered his appearance in person, and having stipulated and agreed that the statement of facts signed and executed by the respondent and counsel for the Commission, subject to the approval of the Commission, shall be taken by the Federal Trade Commission as the evidence in this case and in lieu of testimony, and that the said Federal Trade Commission shall thereupon make its report stating its findings as to the facts and its conclusion and make its order, disposing of this proceeding without the introduction of testimony, the filing of briefs or the presentation of oral argument.

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, Harry Rose, trading as the Sheffield Razor Company, is an individual residing and having his place of business at and in the city of Norfolk, State of Virginia, and engaged in the business of selling razors, in interstate commerce, and shipping them to purchasers throughout the various States of the United States and the District of Columbia, in direct and active competition with other persons, firms, copartnerships and corporations similarly engaged.

PAR. 2. That respondent made use of advertising matter which he caused to be circulated throughout the various States of the United States, in which advertising matter respondent held out and described his said company as "importers and jobbers"; whereas the

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said company in fact was not a jobber and was not an importer, but was and is engaged altogether in domestic business, purchasing its said razors from American merchants; that respondent's manner of selling is carried on through what is known as the mail order system, selling and shipping his razors as a result of extensive advertising, to purchasers throughout the various States of the United States by mail and by express from his place of business in the city of Norfolk, Virginia, on orders received by him from the said purchasers through the mails and otherwise.

PAR. 3. That respondent advertises by circulars and by other means that he sells a \$5.00 razor for \$1.15 and that purchasers of his said razors at the apparently greatly reduced price save the so-called middleman's profit; whereas, in truth, regardless of any middleman's profits respondent's razors are not worth over said amount; that respondent is not a manufacturer and does not make his said razors but is a merchant and sells razors as such on orders received by him through the United States mail, to purchasers throughout the country from his said place of business in the said city of Norfolk, State of Virginia.

PAR. 4. That the word "Sheffield" is the name of a city in England where for many years a very high grade and fine quality of razors and other cutlery have been, and are now, manufactured, and said name of "Sheffield" has become associated with a high grade and fine quality of razors and cutlery, and where the word "Sheffield" is used in connection with razors or other cutlery it is generally accepted in the trade and by the purchasing public as indicating that such razors are made in Sheffield, England, and represent the quality of the goods manufactured in said city; that the respondent has no place of business in Sheffield, England, nor any place in any other country by that name, and does not purchase the razors he sells from Sheffield, England, nor the steel from which they are made from any place by such name; that the word "Sheffield" used in respondent's name does not indicate the name of the place at which respondent's business is located.

PAR. 5. That the advertisements and representations used and made by the respondent as set forth in paragraphs 2, 3 and 4 herein have a tendency and capacity to mislead and deceive, and do mislead and deceive the public in the purchase of razors.

CONCLUSION.

The practices of the respondent as set forth in the foregoing findings as to the facts are unfair methods of competition in commerce and constitute a violation of the provisions of an Act of Congress

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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 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 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,"

It is now ordered, That the respondent, Harry Rose, trading under the name and style of Sheffield Razor Company, his agents, representatives, servants and employees, cease and desist from:

1. Advertising by means of letters, circulars, newspapers, or by any other means whatsoever that the said respondent, Harry Rose, trading under the name and style of Sheffield Razor Company, is an "importer and jobber" when said statement is untrue and false.

2. Advertising through any means whatsoever that his said razors are "\$5.00 razors" or are worth the sum of \$5.00 and are being sold by respondent at the reduced price of \$1.15 because of the elimination of the so-called "middleman's" or jobber's profits, when the same is untrue and false.

3. Using the word "Sheffield" in connection with the sale of razors which are not imported from the city of Sheffield, England, or manufactured from steel imported from Sheffield, England.

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

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AMERICAN HONE COMPANY.