C. READ & COMPANY, INCORPORATED.

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

Docket 1088—March 5, 1924.

SYLLABUS.

Where a corporation engaged in the sale of coffee, tea, and chinaware to retail dealers,

(a) Gave and offered to give to its dealer customers one hundred pieces of chinaware of unequal value, together with each one hundred package order of tea or coffee, in pursuance of a sales plan whereby each ultimate purchaser of a package was to receive one of the aforesaid pieces of china, as determined by a coupon theretofore placed in each package by it, and proposed to said customers that they resell such packages for an equal price per package and deliver therewith to the different purchasers the various articles of chinaware as called for by said purchasers' coupons; with the result that different members of the public buying said packages received respectively by chance or lottery packages of tea or coffee, and chinaware, of a total unequal value, for an equal price;

(b) Falsely represented through salesmen and through circulars that said articles of chinaware were delivered free of charge to the dealer purchasers of its tea or coffee, as aforesaid, and in its bills for said tea or coffee, and chinaware, made no separate charge for the latter; with the capacity to deceive and mislead said dealers into believing that they were in fact receiving said chinaware without charge, and that in reselling said tea and coffee, and delivering the articles of china therewith, to different members of the purchasing public, as above set forth, they were in turn giving the same free:

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

Mr. Edward E. Reardon for the Commission.

Mr. Thomas Foley Hisky, of Hinkley, Hisky & Burger of Baltimore, Md., for respondent.

COMPLAINT.

Acting in the public interest, pursuant to 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," the Federal Trade Commission charges that C. Read and Company, Inc., hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce, in violation of the provisions of Section 5 of said Act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent is and for more than three years prior to the date hereof was a corporation organized and doing business under the laws of the State of Maryland, having its principal place of business in the city of Baltimore in said State. It is and has been during the times above referred to engaged in the business of selling at wholesale teas, coffee, and chinaware to individuals, partnerships, and corporations located in and engaged in the business of selling teas, coffee, and chinaware at retail to the general public in various other States of the United States of America other than the State of Maryland and respondent still causes and during the times above referred to has caused the said teas, coffee, and chinaware, when sold by it to the said individuals, partnerships, and corporations, the said retail dealers, to be transported to them at their respective locations above referred to from respondent's said place of business. In the course and conduct of its said business, the respondent is and has been during the times above referred to in competition with other individuals, partnerships, and corporations, similarly engaged in selling at wholesale teas and coffees and who, during the aforesaid times have caused and who still cause the said commodities, when sold by them, to be transported to their purchasers located in various States of the said United States, other than the State of origin of the shipments of said commodities and including States other than the State of Maryland into which respondent has caused and still causes said commodities when sold by it to be transported.

PAR. 2. Respondent in the course and conduct of its said business during the times above referred to and, more particularly, on or about June 13, 1923, has conspired with and still continues to conspire and confederate with one Moore, an individual with a place of business in the State of Virginia and engaged in said State in the business of selling teas, coffee, and chinaware at retail to the general public, and with certain other unknown individuals, partnerships and corporations engaged in the retail tea and coffee business with places of business, respectively, in States of the said United States other than in the State of Maryland, in causing to be transported from the State of Maryland to purchasing members of the general public, customers of the said Moore, in the State of Virginia, and to purchasing members of the general public, customers of said unknown individuals, partnerships, and corporations, retail dealers in said other States, certain packages of teas and coffees and certain articles of chinaware and in selling and causing to be sold to the said purchasing members of the general public, above referred to, the said packages of teas and coffees, and the said articles of chinaware transported as aforesaid, according to a plan,

method, arrangement, or scheme of chance or lottery devised by respondent and carried out by respondent and said Moore and said unknown retail dealers at the times above referred to, in accordance with which plan, method, arrangement, or scheme, the total value of the package or packages of teas or coffees and the article or articles of said chinaware distributed and delivered with said package, respectively, to some of the purchasing members of the general public and received by them, the customers of said Moore or of said other unknown retail dealers is of greater or lesser amount than the total value of the said package or packages of teas or coffees, including the article or articles of said chinaware, so distributed and delivered with said packages, respectively, to others of the purchasing members of the general public and received by them, the customers of the said Moore, or of the said other retail dealers, the total price of each said package of tea or coffee, respectively, together with the said article of chinaware delivered with each said package, respectively, being the same to each member of the general public who has at the aforesaid times purchased from or who continues to purchase the same from the said Moore or from the said unknown retail dealers.

PAR. 3. The aforesaid plan, method, arrangement, or scheme of chance or lottery is and was substantially as follows: Respondent with each sale to said Moore or said unknown retail dealers, of 100 packages of teas or coffees of equal weight and value respectively, delivered and still delivers at the same time to the said Moore and said other retail dealers 100 pieces of chinaware, including cups, saucers, plates, cereal bowls, fruit plates, pitchers, and covered dishes, one of which was and is to be delivered to the members of the general public with each purchase of a package of said tea or coffee as follows: In each said package respondent during the aforesaid times placed and still continues to place a coupon entitling the member of the general public, the purchaser from said Moore or from said unknown retail dealers to receive one of said articles of chinaware. The specification of the particular piece of chinaware the said purchaser was and is to receive was and is placed upon said coupon by respondent and, when one of said packages was or is purchased and opened by a customer of said Moore or other unknown retail dealer, the purchaser obtains and has obtained from said Moore or said other retail dealer the article of chinaware specified upon the inclosed coupon without further charge or cost than the price paid to said Moore or other retail dealer for the package of tea or coffee. Said articles of chinaware were and are of different values and said packages of tea and coffee, as the case might be, were and are of equal weight and value and are each respectively priced the same to

the said purchaser by the said Moore and said other retail dealers, respectively, and the total value of the chinaware and each package of tea or coffee so obtained by the said member of the purchasing public was thus during the aforesaid times and continues to be fixed solely by chance and the said total value of said articles received by the purchasers was and continues to be greater or lesser than the value of the similar articles received by other purchasers, the price to all said purchasers being the same for the said articles, respectively.

PAR. 4. In selling said packages of teas and coffees to said Moore and to the said other retail dealers, respondent during the aforesaid times has fixed and still fixes the wholesale prices thereof, respectively, at an amount which covers the total cost of the said 100 pieces of chinaware and of the said 100 packages of teas or coffees and a reasonable profit thereon to respondent and in reselling said commodities to the general public the said Moore and other said retail dealers, during the aforesaid times have added and still continue to add to the said total wholesale price of said 100 packages and said 100 pieces of chinaware, respectively, a reasonable profit to said Moore and said other retail dealers, and the retail price per package to the general public is and has been, during the aforesaid times, placed at the one-hundredth part of the said total reselling price by the said Moore and other retail dealers.

In pursuance of the aforesaid conspiracy and confederation of respondent and said Moore and said other retail dealers, the general purchasing public are and have been at and during the aforesaid times deceived and misled by respondent and said Moore and said other retail dealers into believing that the article or articles of chinaware so delivered and so continuing to be delivered to them with each of the aforesaid packages were and are free of cost to the said purchasing member of the general public, whereas in truth and in fact the said article or articles were during the aforesaid times and are not delivered free of cost, but the cost of the same, together with a reasonable profit thereon is included in the price paid and to be paid by the general public purchasing the said packages.

PAR. 5. Among the competitors of respondent are many who sell teas and coffees at wholesale at reasonable wholesale prices, and who do not offer or place in the hands of the retail dealers any merchandise to be given to their purchasers, by chance or otherwise. Respondent's practices, as aforesaid, tend to, and do induce the general public to purchase said commodities so sold by respondent in preference to similar commodities of respondent's said competitors without regard to the difference in quality or price between said commodities

of respondent and those of said competitors, and are induced to make such purchases by the chance of obtaining said premiums of chinaware in connection with the purchase of respondent's commodities, as above set forth.

PAR. 6. The practices of respondent hereinbefore set forth are all to the prejudice of the public and of respondent's said competitors, and constitute unfair methods 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, C. Read & Company, Inc., charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act.

The respondent not having filed an answer herein and having stipulated and agreed that a statement of facts signed and executed by the respondent and W. H. Fuller, 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 before the Commission in support of the charges stated in the complaint, or in opposition thereto, and that the said Commission may proceed further upon said statement of facts, stating its findings as to the facts and conclusion and entering its order disposing of the proceeding.

And, thereupon, this proceeding came on for final hearing and the respondent having waived the filing of briefs and the hearing of oral argument herein before the Commission, 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.

Respondent is and for more than three years immediately prior to November 16, 1923, was a corporation organized and doing business under the laws of the State of Maryland, having its principal place of business in the city of Baltimore in said State. Respondent is and has been during the times above referred to engaged in the business of selling at wholesale teas, coffees and chinaware to individuals, partnerships, and corporations located, respectively, in various other States of the United States of America other than the State of Mary-

land and engaged therein in the business of selling teas, coffees and chinaware at retail to the general public and respondent still causes and during the times above referred to has caused the said teas, coffees, and chinaware, when sold by it to the said individuals, partnerships and corporations, the said retail dealers, to be transported to them at their respective locations in said other States from respondent's said place of business.

Respondent in the course and conduct of its business, during the aforesaid times, has packed and still continues to pack large quantities of teas in lots of 100 packages, each package being 2 ounces in weight and in lots of 100 packages, each package being 6 ounces in weight and large quantities of coffees in lots of 100 packages each package being one pound in weight.

During the aforesaid times the respondent caused to be prepared circulars upon which were photographs or illustrations of articles of chinaware and on which, underneath said photographs or illustrations, was printed, as follows:

"GIVEN AWAY FREE"

"100 Pieces of Rose Decorated Chinaware
A ticket in each package calling for one of these pieces of chinaware.
24 Rose decorated Cups and Saucers 24 Rose 6-8 in. Plates
24 " " Fruit Saucers or Plates 24 Rose Cereal Dishes
2 " " Covered Steak Dishes 2 " Pint Pitchers
The Same assortment with Either of the Following Goods.
100 2 oz. YOU KNOW TEA 100 1 lbs. REO. C. M.
Costs you $20.00 A mixture of Cereal Chicory and Coffees Costs you $23.00
Retails at 25¢ per Package Retails at 30¢ per Package
100 1 lbs. Tiger Coffee
Whole Bean or Ground

COSTS YOU $32.00

Retails at 40¢ Per Package
All goods F. O. B. Baltimore but we allow 5% Cash discount if bill is paid within 10 days of date of Invoice.

C. READ & CO., INC. GENERAL STORE SPECIALISTS,
18-20 N. Greene St., Baltimore, Md."

The above described circulars, or others containing substantially the same or similar proposals or offers, were distributed, or the contents thereof were stated, by respondent during the aforesaid times through its agents and servants to individuals, partnerships and corporations, the retail dealers who were purchasers or prospective purchasers from the respondent of teas, coffees and chinaware.

In each of the packages of teas and coffee packed by it as aforesaid respondent placed, and still continues to place, a coupon upon

which respondent designated and continues to designate a particular piece or articles of the chinaware referred to in the aforesaid circulars.

Upon the wrappers or cartons of the said packages of teas and coffees have been and still are printed the following words "open and examine before purchasing." Some of the respondent's packages of said teas or coffees have been and still are sealed and the contents of such sealed packages could not or cannot be examined without breaking or tearing open the packages containing the same.

In accordance with representations contained in circulars such as described or referred to above, and with proposals such as contained therein, the respondent during the times above referred to, agreed with and continues to agree with certain individuals, partnerships and corporations, retail dealers engaged in the sale of teas and coffees and located in various States of the United States other than the State of Maryland, to sell to them and respondent did sell and continues to sell to them lots of 100 packages of teas and coffees, the packages in each lot, respectively, being of equal weight; and respondent at the same time agreed and continues to agree with said retail dealers to deliver to them and respondent has delivered and continues to deliver to the said retail dealers, with each lot of 100 packages of teas and coffees, 100 pieces of assorted chinaware such as described in the aforesaid circulars.

In selling its packages of teas and coffees to retail dealers respondent fixed and still fixes the wholesale price of each lot of 100 packages thereof, respectively, at an amount which covered or covers the total cost of 100 pieces of such chinaware and the said 100 packages of teas or coffees and a reasonable profit thereon to respondent.

Among the retail dealers aforesaid with whom respondent agreed and still continues to agree to sell teas and coffees in accordance with proposals such as contained in the aforesaid circulars, is one Moore, a retail dealer in teas and coffees and chinaware in the State of Virginia and respondent particularly on June 13, 1923, in accordance with proposals such as contained in said circulars sold said Moore as aforesaid 100 packages of Tiger coffee and delivered from respondent's place of business in Baltimore, Maryland, to said Moore in the State of Virginia the said 100 packages of Tiger coffee together with 100 pieces of chinaware such as described in the aforesaid circulars and respondent received from said Moore the total price of $35 for the said coffee and chinaware.

Respondent during the aforesaid times and in accordance with proposals such as contained in the aforesaid circulars represented to its customers the said retail dealers including said Moore that the

total wholesale price charged to them by the respondent for the said 100 packages of teas or coffees and said 100 pieces of chinaware agreed to be delivered therewith, was the wholesale price of the teas or coffees sold to them and that the chinaware was given free by respondent to said retail dealers including said Moore.

Respondent proposed in the aforesaid circulars to its customers the said retail dealers including said Moore that the said retail dealers in reselling said teas and coffees charge an equal price per package for the same, respectively, and that the articles of chinaware delivered to them by respondent with said teas and coffees be given free to the customers of the said retail dealers including said Moore, members of the general public.

The articles of chinaware described in the aforesaid circulars and delivered by respondent to its said retail dealers including said Moore have been and are of unequal value.

In reselling said teas and coffees to the general public the said retail dealers, purchasers from and customers of the respondent, including said Moore, have agreed to and have accepted the proposals of the respondent such as contained in the aforesaid circulars and, in fixing their retail prices for the same, they, respectively, have added and still continue to add to the said total wholesale price paid by them to the respondent for each lot of 100 packages of teas and coffees, respectively, a reasonable profit to themselves, and they have fixed the retail price per package of the same to the general public, during the times above referred to, at the 1/100th part of the said total resale price of each said lot of 100 packages.

In pursuance of the proposals of respondent such as contained in the aforesaid circulars the said retail dealers, including said Moore, have during the aforesaid times offered and sold, and still continue to sell and offer for sale, to the general purchasing public the said packages of teas and coffees at an equal price per package, respectively, and have delivered and continue to deliver and to offer to the said public, without extra charge therefor, the particular article of chinaware designated by respondent upon the coupon contained in the particular package of tea or coffee so sold or offered for sale to the members of the general purchasing public.

Members of the general purchasing public during the aforesaid times have purchased and continue to purchase the said packages of teas and coffees and have received the same together with the said articles of chinaware from the said retail dealers, including said Moore, at the prices and upon the terms offered by said retail dealers, including said Moore, as above set forth.

During the times above mentioned and referred to other individuals, partnerships and corporations have likewise been and still

are engaged in selling at wholesale teas and coffees and they have, during the aforesaid times, caused and still cause the said commodities when sold by them to be transported to their purchasers, retail dealers, located in various States of the said United States other than the State of origin of the shipments of said commodities and including States, other than the State of Maryland, and into which respondent has caused and still causes such commodities when sold by it to be transported.

Among such other individuals, partnerships and corporations are many who have during the aforesaid times sold, and who still continue to sell, and to offer for sale teas and coffees at wholesale at reasonable prices to retail dealers and who do not, in connection with the sale thereof, sell to or place in the hands of such retail dealers any other merchandise upon the terms or conditions or in accordance with proposals such as contained in the aforesaid circulars, or in any way representing that such other merchandise is given free by them or by such retail dealers with such teas or coffees when the cost or price of the same has been or is to be included in the price of the said teas or coffees to the purchaser; and who do not, in connection with the sale thereof, sell to or place in the hands of such retail dealers any other merchandise to be delivered to members of the general public purchasing such teas or coffees, in accordance with any system or device of lottery or chance, whereby the members of the public receive for equal prices, respectively, packages of said teas or coffees and such other merchandise totalling, respectively, values of unequal amounts, whether or not the cost of such other merchandise has been or is to be included in the price paid or to be paid by the members of the general public purchasing such packages of teas or coffees.

The use of circulars by respondent, containing proposals or offers to give away free 100 pieces of chinaware to retail dealers or to others with the sale of 100 packages of teas or coffees, and the causing or permitting by respondent substantially the same or similar offers to be made by its agents or salesmen, when the price of the chinaware was really included, or to be included, in the price of the teas or coffees to the purchasers, and the rendering of bills or statements to purchasers for such teas, coffees and chinaware, when sold, in which no separate charge was made for such chinaware, was misleading and had the capacity to deceive the purchasers of said teas and coffees, the said retail dealers or some of them into the belief that the chinaware delivered in accordance therewith, was or would be delivered without cost to them, and was misleading and had the capacity further to deceive or mislead the said retail dealers, or some of them, into the belief that in reselling such teas and

coffees and in delivering such chinaware therewith to the members of the public purchasing the teas or coffees, they, the said retail dealers, would, in turn, be giving the said chinaware free to the said members of the public, when in reality the price of said chinaware was, or would be, included in the price of the teas and coffees paid by the public to the said retail dealers.

The placing by respondent of coupons or tickets in packages of teas or coffees upon which articles of chinaware of unequal value were designated to be delivered with said packages in accordance with the proposals or offers contained in the aforesaid circulars, or similar proposals or offers made by respondent's agents or salesmen; the proposals of respondent in the aforesaid circulars or statements of its agents or salesmen that the retail dealers purchasing said packages of teas or coffees resell the same for an equal price per package and deliver therewith the respective articles of chinaware designated upon the coupons or tickets in said packages to the member or members of the public purchasing the same without further charge for said chinaware; and the acceptance of said proposals by said retail dealer or dealers, including said Moore, and the purchase and sale by them of said packages of teas and coffees and said chinaware, constituted a conspiracy or combination between the respondent and said retail dealers, including said Moore, to sell said packages of teas and coffees and said chinaware, and said retail dealers, including said Moore, did conspire and combine with respondent and did sell at the times mentioned in the complaint to the members of the general public in accordance with said plan, method, arrangement, scheme, combination or conspiracy, whereby the members of the public purchasing said packages of teas and coffees received, respectively, by chance or lottery, packages of said teas or coffees and articles of chinaware of a total unequal value and for an equal price, respectively, to each member of the general public purchasing said packages.

The sale of packages of teas and coffees and the delivery of articles of chinaware therewith as above set forth by the respondent and the said retail dealers, including said Moore, or by any of them, had the tendency to mislead and deceive members of the general public and did mislead and deceive the general public into believing that the said articles of chinaware were given free of charge, either by chance or lottery, or otherwise, to members of the public purchasing said packages of teas or coffees.

CONCLUSION.

The practices of the said respondent, under the conditions and circumstances described in the foregoing findings, are unfair methods

of competition in 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, and the agreed statement of facts filed herein, and the Commission having made its findings as to the facts and 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, C. Read & Company, Inc., its agents, representatives, servants and employees, do cease and desist from directly or indirectly—

(1) Giving or delivering or from offering to give or to deliver and from combining or conspiring with others, individuals, partnerships or corporations, in giving or delivering or offering to give or to deliver articles or quantities of merchandise with or in connection with the sale or delivery in commerce of packages or quantities of teas, coffees or other commodities, by means of any plan, method, arrangement, scheme, combination or conspiracy, or otherwise, whereby, by means of coupons or tickets inclosed with or in, or distributed or delivered in connection with such packages or quantities of teas, coffees or other commodities, or by means of any system or device of lottery or chance, for equal prices paid by them, respectively, purchasers receive equal quantities or values, respectively, of the said teas, coffees or other commodities together with articles or quantities of unequal values, respectively, of such other merchandise, and whether or not the cost of such other merchandise, either wholly or in part, has been included in the price or prices paid by the purchasers for the teas, coffees or other commodities.

(2) Representing, or combining or conspiring with others in representing by circulars or other forms of advertising, or in bills or statements rendered to purchasers for teas, coffees or other commodities sold to them, or by coupons or tickets inclosed with or in, or distributed or delivered in connection with packages or quantities of teas, coffees or other commodities, or by or through agents or salesmen or in any other manner, or by any other means that articles or quantities of merchandise delivered or to be delivered with or in connection with the sale or delivery in commerce of packages or quantities of teas, coffees or other commodities are given or are to be

given or delivered free of charge to purchasers of such packages or quantities of teas, coffees or other commodities when the cost or price of such other articles or quantities of other merchandise has been or is to be either wholly or in part included in the price of the said packages or quantities of teas, coffees, or other commodities, respectively.

It is further ordered, That the respondent, C. Read & Company, Inc., shall, within sixty (60) days after the service upon it of a copy 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.

FEDERAL TRADE COMMISSION

v.

WILLIAM SCHMIDT, TRADING UNDER THE NAME AND STYLE OF PLATELESS ENGRAVING BUREAU.

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

Docket 1112—March 6, 1924.

SYLLABUS.

Where an individual engaged under a trade name which included the words "plateless engraving," in the printing and sale of business and social stationery through the use of a process which involved the application to type printing while still wet, of a chemical and heat, and resulted in a raised letter effect which resembled in appearance impressions made by engraved plates or dies, known to the public as engraving, and in stationery, as produced and sold by him, resembling engraved stationery in appearance and finish; designated his process as "plateless engraving" and in his advertisements described the same as "The World's Greatest Invention. Engraved Without Plate. * * * Saving the Cost of Expensive Plates or Dies," "* * * Exactly Duplicating Copper Plate Work. Plateless Engraving Bureau"; with the capacity and tendency to deceive the public and thereby induce portions thereof to purchase said stationery so produced and sold as and for the genuine engraved product:

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

Mr. William C. Reeves for the Commission.

COMPLAINT.

Acting in the public interest pursuant to 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," the Federal Trade Commission charges that William Schmidt, trading under the name and style of Plateless Engraving Bureau, 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 said Act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, William Schmidt, is an individual trading under the name and style of Plateless Engraving Bureau, with his principal office and place of business in the City and State of New York. Respondent is engaged in the business of printing and selling stationery for social and business purposes, including invitations, announcements, calling cards, letterheads, envelopes and similar products, and causing said stationery so produced, when sold,

to be transported from his principal office and place of business in the City of New York, in the State of New York, to purchasers located in other States of the United States, and there is now and was at all times hereinafter mentioned a constant current of trade and commerce in said products manufactured by said respondent between and among the various States of the United States. In the course and conduct of his said business, respondent continuously has been and is now in competition with other individuals, partnerships and corporations similarly engaged in commerce among the States of the United States.

PAR. 2. Respondent in the course and conduct of his business, as described in paragraph 1 hereof, now prints and for more than one year last past has printed invitations, announcements, calling cards, letterheads, envelopes and similar social and business stationery products by a process which he designates as "Plateless Engraving," although such process is not the process used in engraving and in no way includes the process of reproducing an impression on paper from engraved plates; that the product manufactured and sold in interstate commerce by respondent is the result of the use of a chemical in powdered form which is applied to type print while the ink is still wet; this chemical adheres to the wet ink and in passing through a baking process the heat causes it to fuse and present a raised letter effect so as to resemble in appearance or simulate the impression made from engraved plates known as "engraving."

PAR. 3. The word "Engraving," particularly when applied to invitations, announcements, calling cards, letterheads, envelopes, and similar social and business stationery, has been well known and understood by the public for a long period of years to include only such products as result from the impression made from an engraved plate in which has been stamped, cut or carved letters, sketches, designs or inscriptions from which the reproduction is made; that the process used by respondent, as set out in paragraph 2 hereof, so simulates engraving in appearance and finish that the same is calculated and has the capacity and tendency to mislead and deceive the purchaser into the belief that such product was the result of an impression made from an engraved plate commonly known to the public as "Engraving."

PAR. 4. That respondent, as a means of inducing the public to purchase his invitations, announcements, calling cards, letterheads, envelopes, and similar social and business stationery products manufactured by his said process, causes advertisements to be inserted in trade publications having general circulation throughout the several States of the United States, and distributes cards, circulars, and

other advertising matter, to purchasers and prospective purchasers in various States of the United States, in which said advertisements and advertising matter respondent falsely claims his process as "Exactly Duplicating Copper Plate Work" and producing an "Engraved and Embossed Effect," and in said advertisements and advertising matter refers to his said product as "Plateless Engraving"; that the use of the word "Engraving" by respondent, either alone or in conjunction with the word "Plateless," and also the use by the said respondent of the word "Engraving" as a part of the name under which the said respondent trades, especially when the product of said respondent is so finished as to present a raised letter effect so as to resemble in appearance or simulate engraving, were and are intended by respondent and are calculated and have the capacity and tendency to mislead and deceive the purchaser into the belief that such products were and are the result of an impression made from engraving plates commonly known to the public as "Engraving."

PAR. 5. There are a considerable number of competitors of respondent who are manufacturing engraved invitations, announcements, calling cards, letterheads, envelopes, and similar social and business stationery, which said products are made from engraved plates in which have been stamped, cut or carved letters, sketches, designs or inscriptions from which the reproduction is made, which is known to the trade and consuming public as "Engraving," which said products are sold in competition with the products of respondent.

PAR. 6. That the above alleged acts and things done by respondent are all to the prejudice of the public, and of respondent's competitors, and constitute unfair methods of competition in commerce within the intent and meaning 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, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," the Federal Trade Commission issued and served a complaint upon the respondent, William Schmidt, trading under the name and style of Plateless Engraving Bureau, charging him with the use of unfair methods of competition in commerce in violation of the provisions of said act.

The respondent having entered his appearance herein and having filed answer to the complaint, thereupon entered into a stipulation as to the facts in which it was agreed that the statement of the facts therein should be taken by the Commission in lieu of the testimony of witnesses in support of the charges stated in the complaint and on behalf of respondent, and that the Commission might proceed forthwith, on such stipulation, to make its report stating its findings as to the facts.

Thereupon, the matter came on for final hearing before the Commission, upon the complaint, the answer and the stipulation as to the facts, and the Commission having duly considered the record, and being fully advised in the premises, makes these its findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, William Schmidt, at the time of the issuance of the complaint herein and prior thereto, carried on business under the name and style of "Plateless Engraving Bureau," with principal place of business at 27 Thames Street, New York, N. Y., and at all times herein mentioned has been engaged in the business of printing and selling stationery, including invitations, announcements, calling cards, business cards, letterheads, envelopes and similar items of business and social stationery, and has caused said stationery, when sold, to be transported from his said place of business to the purchasers thereof, in and beyond the State of New York, in due course of intrastate and interstate commerce. That in the course and conduct of his said business, respondent continually has been and is now in competition with numerous persons, partnerships and corporations engaged in the production and sale of business and social stationery in commerce among the several States of the United States. That among the competitors of respondent are numerous persons, partnerships and corporations which produce and sell stationery, upon which there have been made impressions from engraved plates or dies and known to the public as engraved stationery.

PAR. 2. Respondent, in the course of his business as described in paragraph 1 hereof has printed stationery sold by him by a process which he designates as "Plateless Engraving," although such process is not the process used in producing engraved stationery and in no way includes any part of the process of making impressions on paper from engraved plates or dies; that the process so used by

respondent consists of printing upon stationery sold by him, inscriptions, designs, etc., from inked type faces, electrotypes, or similar devices, upon a type press, and while the ink on the stationery is still wet, there is applied to such ink in powdered form a chemical, and the stationery is then subjected to a baking process, in which the chemical so applied to the wet ink is made to fuse and present a raised letter effect which resembles in appearance impressions made from engraved plates or dies, and known to the public as engraving.

PAR. 3. The word "engraving," particularly when applied to business and social stationery, has been well known and understood by the public for a long period of years to include only stationery upon which impressions have been made from inked engraved plates or dies upon which plates or dies there have been made lines, letters, designs or inscriptions, by cutting or otherwise, producing same below the surface of such plates or dies. The stationery produced and sold by respondent, as set out in paragraph 2 hereof, simulates engraved stationery in appearance and finish, and when designated and advertised under a name consisting of a combination of words which includes the word "engraving," has had and has the capacity and tendency to deceive the public and thereby induce portions of the public to purchase stationery so produced and sold by respondent, under the mistaken belief that same was engraved stationery.

PAR. 4. That respondent, as a means of advertising stationery produced and sold by him, as set out in paragraph 2 hereof, and to induce the public to purchase such stationery, caused advertisements to be placed in trade papers of general circulation, and has caused advertising matter to be distributed to the public, in which advertisements and advertising matter the stationery so sold by respondent was described and referred to as follows:

"The World's Greatest Invention. Engraved Without Plate. For business and Social Stationery. Saving the Cost of Expensive Plates or Dies."

"Ask to See Our Dull-Finished Samples—Exactly Duplicating Copper Plate Work. Plateless Engraving Bureau."

CONCLUSION.

That the practices of the respondent, as set forth in the foregoing findings as to the facts, are, in the circumstances therein set forth, unfair methods of competition in interstate commerce in violation of 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."

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 the stipulation as to the facts, and the Commission having made its findings as to the facts and its conclusion that the respondent has violated 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,"

Now, therefore, it is ordered, That the respondent, William Schmidt, trading under the name and style of "Plateless Engraving Bureau", his agents and employees,

Cease and desist from using the words "Plateless Engraving Bureau" or "Plateless Engraving" or "Engraved without Plates" or "Engraved" or "Engraving" in the business signs or advertisement, offer for sale or sale of stationery, the words, letters, figures, and designs upon which have not been produced from metal plates into which such words, letters and designs have been cut.

It is further ordered, That the respondent shall file with the Federal Trade Commission, within ninety days from the date of this order, its report in writing, stating the manner and form in which this order has been conformed to, and shall attach to such report two copies of all circulars, advertisements, devices or labels distributed or displayed to the public by the respondent in connection with the sale of its product in interstate commerce subsequent to the date of this order.

FEDERAL TRADE COMMISSION

v.

SPIER-SIMMONS & COMPANY, INCORPORATED.