

Complaint.

8 F. T. C.

IN THE MATTER OF
JAMES B. HALL, JR., INCORPORATED.

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

Docket 1137—July 29, 1924.

SYLLABUS.

Where it had long been generally considered that the highest grade of tobacco from which cigars could be made was that grown on the Island of Cuba and known as "Havana Tobacco," and the word "Havana" signified to the trade and consumers cigars composed exclusively of the aforesaid tobacco; and thereafter a corporation engaged at New York City in the manufacture of cigars not composed exclusively of such tobacco, and in the sale thereof direct to the consumer by mail order,

(a) Branded and labeled said cigars and the containers thereof with such labels and legends as "Hall's Fancy Tales Havana Cigars," "Hall's Havana Coronas," etc., and so characterized the same in its catalogues and advertisements; and

(b) Represented in its catalogues that the tobacco from which its cigars were manufactured was grown on the Island of Cuba and on its own plantations, with the result that it was thereby enabled through sale direct from factory to consumer to offer the same to the latter at substantially lower prices than ordinarily charged for comparable cigars, when, as a matter of fact, it owned no such plantations, but purchased the Havana tobacco used by it from growers or through brokers representing the same;

With the result that the trade and consumers were misled and deceived in respect of the composition of said cigars, and consumers were misled and deceived into believing that they were securing a substantial saving in cost in the purchase thereof:

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

Mr. Alfred M. Craven 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 James B. Hall, Jr., Inc., a corporation, 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, issues this complaint and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, James B. Hall, Jr., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal or executive offices and manufacturing plant located in the City of New York, State of New York. Respondent is engaged in the business of manufacturing and selling cigars and causing said product, when sold, to be transported from its principal office or manufacturing plant 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 product manufactured by said respondent between and among the various States of the United States. In the course and conduct of its 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, James B. Hall, Jr., Inc., in the course and conduct of its said business as described in paragraph 1 hereof, for more than one year last past, as a means of inducing the public to purchase cigars manufactured by it from tobacco grown elsewhere or other than on the Island of Cuba, has caused and still causes the following brands, labels or legends to be placed on the cigars or containers of said cigars manufactured by it; "Hall's Fancy Tales Havana Cigar," "Hall's Resagos Havana Cigar," "Hall's Panetelas Havana Cigar," and other similar false and misleading brands, labels or legends containing the word "Havana," when in truth and in fact the tobacco from which its said product is manufactured is not grown on the Island of Cuba and is not tobacco generally known and recognized by the purchasing public as Havana tobacco.

PAR. 3. Respondent, James B. Hall, Jr., Inc., in the course and conduct of its said business as described in paragraph 1 hereof, for more than one year last past, as a means of inducing the public to purchase its product, caused advertisements to be inserted in publications having general circulation throughout the several States of the United States and by means of catalogues, circulars, and other advertising matter distributed in commerce throughout the several States of the United States, published and represented to the purchasing public in said advertising matter that the tobacco from which its product is manufactured was grown on the Island of Cuba and on plantations owned by it; that the said respondent published and represented in said advertising matter that by reason of its ownership of plantations on the Island of Cuba and on which its said tobacco is grown, and by the further reason that the method

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