

Complaint

IN THE MATTER OF
NEW YORK TWINE MILLS COMPANY, INC.

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

Docket 1249—March 30, 1925.

SYLLABUS.

Where a corporation engaged in the purchase of twine, string, and other cordage from the manufacturers, and in the sale thereof to retail dealers and consumers, and neither owning, operating, nor interested in any mill, conducted its business under a corporate name which included the words "twine mills" and featured said name upon its business stationery, and in its circulars and other trade literature, with the effect of misleading and deceiving the trade and consuming public into believing that in purchasing from it they were saving the profits of middlemen, and of inducing many to deal with it in such belief, and thereby divert business from and injure manufacturing competitors who actually sold such products directly to dealers and consumers, and distributing competitors who in nowise represented themselves as so doing:

Held, That the use of such misleading corporate name, under the circumstances set forth, constituted an unfair method of competition.

Mr. G. Ed. Rowland 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 the New York Twine Mills Company, Inc., hereinafter referred to as respondents, 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 is a corporation organized under the laws of the State of New York with its principal office and place of business in the city of New York, in said State. It is engaged in the business of buying twine, string and other cordage, and of thereafter selling same to retail dealers and consumers located at points in various States of the United States. It causes said commodities when so sold to be transported from its said principal place of

Complaint.

9 F. T. C.

business in the city of New York, N. Y., into and through other States of the United States to said purchasers at their respective points of location. In the course and conduct of its said business respondent is in competition with other individuals, partnerships and corporations engaged in the manufacture and/or sale and transportation of twine, string and other cordage in commerce between and among various States of the United States.

PAR. 2. Respondent conducts its aforesaid business under and in its corporate name "New York Twine Mills Company, Incorporated," and displays said name prominently upon its business stationery, billheads, circulars, and other trade literature used by respondent in and about the conduct of its said business. The fact is that respondent neither owns, operates, controls nor is interested in any twine, string or cordage mill whatsoever, but buys the twine, string and other cordage which it sells from others who manufacture same.

PAR. 3. The use by respondent of the word "mills" in its corporate name and of said corporate name containing said word on its business stationery, billheads, circulars, and other trade literature, as hereinbefore set out, has the capacity and tendency to and does mislead and deceive the trade and consuming public into the belief that respondent owns or operates mills in which it manufactures said commodities sold by it, and that persons buying from respondent are buying directly from the manufacturer of said commodities, thereby saving the profits of middlemen, and has the capacity and tendency to and does induce many of the trade and public to deal with respondent in that behalf.

PAR. 4. There are among the competitors of respondent referred to in paragraph 1 hereof, a number of manufacturers of twine, string, and other cordage who sell the products which they manufacture direct to retail dealers and consumers. There are also among said competitors a number of wholesale distributors of twine, string and other cordage who in nowise represent that they are manufacturers of said products, and the use by respondent of the word "Mills" in its corporate name, and of its said corporate name upon its business stationery and literature as hereinbefore set out, tends to and does divert business from and otherwise injure said competitors.

PAR. 5. The above alleged acts and things done by respondent are all to the prejudice of the public and respondent's 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, New York Twine Mills Company, Inc., charging it with the use of unfair methods of competition in commerce in violation of the provisions of said act.

Respondent having entered its appearance and having made, executed and filed an agreed statement of facts in which it is stipulated and agreed by respondent that the Federal Trade Commission shall take such agreed statement of facts as the facts in this case and in lieu of testimony and proceed forthwith upon such agreed statement of facts to make its findings as to the facts and conclusion and such order as it may deem proper to enter therein, without the introduction of testimony and presentation of argument in support of same or in opposition thereto, and the Federal Trade Commission being now fully advised in the premises makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. Respondent is a corporation organized under the laws of the State of New York with its principal office and place of business in the city of New York, in said State. It is engaged in the business of buying twine, string and other cordage, and of thereafter selling same to retail dealers and consumers located at points in various States of the United States. It causes said commodities when so sold to be transported from its said principal place of business in the city of New York, N. Y., into and through other States of the United States to said purchasers at their respective points of location. In the course and conduct of its said business respondent is in competition with other individuals, partnerships and corporations engaged in the manufacture and/or sale and transportation of twine, string and other cordage in commerce between and among various States of the United States.

PAR. 2. Respondent conducts its aforesaid business under and in its corporate name "New York Twine Mills Company, Incorporated," and displays said name prominently upon its business stationery, billheads, circulars and other trade literature used by respondent in and about the conduct of its said business. Said respondent neither owns, operates or controls, nor is interested in any way, in any twine, string or cordage mill whatsoever but buys its twine, string and other cordage which it sells from others who manufacture same.

Order.

9 F. T. C.

PAR. 3. There are among competitors of respondent referred to in paragraph 1 hereof, many who actually manufacture twine, string and other cordage and who sell the products which they manufacture in interstate commerce direct to dealers and consumers. There are also among said competitors many wholesale distributors of twine, string and other cordage selling in interstate commerce who in no wise represent that they are manufacturers of said products and the use by respondent of the word "mills" in its corporate name and of its said corporate name upon its said business stationery and literature as hereinbefore set out, tends to and does divert business from and otherwise injure said competitors.

PAR. 4. The use by respondent of the word "mills" in its corporate name and of said corporate name containing said word on its business stationery, billheads, circulars and other trade literature, as hereinbefore set out, has the capacity and tendency to and does mislead and deceive the trade and consuming public into the belief that respondent owns or operates mills in which it manufactures said commodities sold by it, and that persons buying from respondent are buying directly from the manufacturer of said commodities, thereby saving the profits of middlemen, and has the capacity and tendency to and does induce many of the trade and public to deal with respondent in that belief.

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, answer of the respondent, and the statement of facts agreed upon by the respondent and counsel for the Commission, filed herein, and the Commission having made its findings as to the facts and 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 other purposes,"

Now, therefore, it is ordered, That the respondent, New York Twine Mills Company, Inc., its successors, officers, directors, agents,

servants and employees, cease and desist from doing business under the corporate name and style of New York Twine Mills Company, or any other corporate name which includes the words "Twine Mills" or "Mills" unless and until such respondent actually owns or operates a mill or mills in which it manufactures the products which it sells.

It is further ordered, That respondent, New York Twine Mills Company, Inc., shall, within thirty 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 this order has been complied with and conformed to.

Complaint.

9 F. T. C.

IN THE MATTER OF
GLIDDEN COMPANY AND FOREST CITY PAINT & VARNISH COMPANY.

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

Docket 1122—April 10, 1925.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of paints and allied products and neither connected with the Government or Navy, sold paint not made for the Government or Navy or in accordance with their specifications, named and labeled "U. S. Marine Paint," with the capacity and tendency to mislead and deceive the trade and public in respect of the manufacture or quality of such paint and thereby to induce the purchase thereof, to the prejudice of competitors who did not misrepresent their product:

Held, That the sale of products labeled as above set forth, constituted an unfair method of competition.

Mr. M. Markham Flannery 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 the Glidden Company and Forest City Paint & Varnish Company, hereinafter referred to as respondents, have been and are 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 Glidden Company is a corporation organized under the laws of the State of Ohio with its principal office and place of business in the city of Cleveland, in said State. Respondent Forest City Paint & Varnish Company is a corporation organized under the laws of the State of Ohio with its principal office and place of business in the city of Cleveland, in said State. Respondent Forest City Paint & Varnish Company is a subsidiary of respondent Glidden Company, that is to say: Respondent Glidden Company, or the individuals beneficiary interested therein as stockholders or otherwise, own the capital stock of respondent Forest City Paint & Varnish Company, and the officers