

Complaint

13 F. T. C.

IN THE MATTER OF
ROARING SPRING BLANK BOOK COMPANY

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1594. Complaint, Apr. 12, 1929—Decision, Nov. 9, 1929

Where a corporation engaged in the manufacture and sale of school supplies, including composition books marked by it with such legends as "200 Page Composition Book", "A. S. D. Special 240 Page", and "A. S. D. Special 60" to indicate the page content thereof, sold certain other of its said books marked with such legends as "100 Special Composition Book", "144 Special Composition Book", and "200 Special Composition Book", notwithstanding the fact that said books last referred to, respectively, contained less than the number of pages thus variously indicated, with the capacity and tendency to mislead and deceive a substantial part of the purchasing public into the erroneous belief that the same contained more pages than was actually the case and to induce the purchase thereof in such belief:

Held, That such practice, under the circumstances set forth, constituted an unfair method of competition.

Mr. Robert H. Winn for the Commission.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent, a Pennsylvania corporation engaged in the manufacture of school supplies including composition books, and sale thereof among various States, and with principal or executive office in Roaring Spring, Pa., with misbranding or mislabeling in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce, in that, while marking certain of its products as "200 Page Composition Book", "A. S. D. Special 240 Pages", and "A. S. D. Special 60", it marked other books, containing fewer than the pages indicated, "100 Special Composition Book", "144 Special Composition Book", and "200 Special Composition Book", with the effect of misleading and deceiving the purchasing public as to the actual content of the aforesaid product and with the intent and capacity and tendency so to do and the effect of inducing the purchase of said books by such public in said belief, to the prejudice of the public and of respondent's competitors.

Upon the foregoing complaint, the Commission made the following

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, Roaring Spring Blank Book Co., charging it with the use of unfair methods of competition in commerce in violation of the provisions of section 5 of said act.

Respondent having entered its appearance and filed its answer to said complaint, hearings were had before a trial examiner theretofore duly appointed, and testimony was heard and evidence received in support of the charges stated in the complaint and in opposition thereto. Thereafter this proceeding came on regularly for decision and the Commission having duly considered the record and being now fully advised in the premises makes this its report stating its findings as to the facts and conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Roaring Spring Blank Book Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Pennsylvania with its principal or executive office located at Roaring Spring in said State. For a period of more than one year prior to April 12, 1929, the respondent was engaged in the manufacture of school supplies, including composition books, and in the sale and distribution of its said products in commerce between and among various States of the United States, causing said products, when sold, to be shipped from its place of business located in the State of Pennsylvania to purchasers thereof located in States other than the State of Pennsylvania. In the course and conduct of its business said Roaring Spring Blank Book Co. was at all times in competition with other corporations, individuals, firms, and partnerships likewise engaged in the sale and distribution in interstate commerce of school supplies, including composition books.

PAR. 2. In the course and conduct of its business as described in paragraph 1 hereof as a means of inducing the public to buy its products respondent has caused its composition books to be marked on the front cover with the legend indicating the number of pages which such books contain, as "200 Page Composition Book", "A. S. D. Special 240 Page", and "A. S. D. Special 60", but on the front covers of others of such books said respondent has placed legends reading: "100 Special Composition Book", "144 Special Composition Book", and "200 Special Composition Book"; when in truth

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and in fact the said composition books on the front covers of which the three latter legends were placed contain, respectively, less than 100, 144, and 200 pages. The use of such legends as these on the front covers of composition books containing fewer pages than the number stated in the legend is false and misleading and is calculated and has the capacity and tendency to mislead and deceive a substantial part of the purchasing public into the erroneous belief that the said composition books contain more pages than they actually contain and to induce purchasers to purchase same in that belief.

CONCLUSION

The practice of said respondent under the conditions and circumstances described in the foregoing findings are to the prejudice of the public and respondent's competitors and are unfair methods of competition in commerce and constitute a violation 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 on the complaint of the Commission, the answer of respondent thereto, the testimony, evidence, and briefs of counsel, and the Commission having made its findings as to the facts and its conclusion that respondent has been and is now using unfair methods of competition in 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",

It is now ordered, That respondent, Roaring Spring Blank Book Co., its agents and employees, cease and desist in connection with the sale or offering for sale of composition books in interstate commerce from placing any number on the front cover of a composition book so offered for sale or sold by it unless the number of pages contained in such composition book is also plainly indicated thereon in figures and/or words equally conspicuous in type and position.

It is further ordered, That the respondent, Roaring Spring Blank Book Co., within 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 hereinabove set forth.

Syllabus

IN THE MATTER OF
DAVID B. CLARKSON COMPANY

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1540. Complaint, Oct. 15, 1928—Decision, Dec. 7, 1929

Where a corporation engaged in the sale and distribution of books to purchasers in various States under a plan allowing the purchaser five days in which to examine the books, with return privilege; in its advertising circulars, circular letters, and other advertising literature offering books and publications dealt in by it as above set forth,

- (a) Represented the regular price of the "New Pictorial Atlas of the World" as \$8.50 and said atlas as offered at its "Special price of \$2.98 (not \$8.50)", the fact being that said publication had no regular price, was sold through canvassers and agents at prices ranging from \$5 to \$10 or \$12, had been sold by it at prices ranging from \$2.98 to \$3.98, but for the two years last past had not been sold by it at prices other than those set forth in its pretended special offer, namely, \$1.98 for cloth, and \$2.98 for art kraft binding;
- (b) Represented "the regular \$5 flexible law binding edition of Clarkson's Law and Business Cyclopedia" as offered at its "special introductory price of \$1.98 (not \$5)", the fact being that the publication in question had never been sold by it or anyone else at \$5, said price was fictitious, and said pretended special introductory price was its regular and only price; and
- (c) Represented "Appleton's New Practical Cyclopedia", "publisher's price \$42—our price \$11.75", as offering a lifetime opportunity to save \$30.25, offering many homes that had desired the work but did not feel they could spare the \$42 for which it was sold, the opportunity to purchase said encyclopedia, "so highly spoken of by the highest educators at less than the actual cost of manufacture", and making such statements as "it is just like finding \$30.25", "this card is worth \$30.25 to you", the fact being that \$42 was not and never had been the regular price or publisher's price of said encyclopedia, but that the same was sold by the publishers and through book stores at \$30, and said price of \$11.75 was not a special price or a limited offer, but the figure at which it had sold said encyclopedia for more than five years last past and did not save customers \$30.25 as represented in its circular and order form;

With the effect of misleading and deceiving many of the purchasing public into buying said books in the erroneous belief that they were offered at a special and introductory price, that the regular prices thereof were greatly in excess of those at which it was selling them, and that the publisher's price of certain of said books was greatly in excess of its price, and with the capacity and tendency so to mislead and deceive;