

Findings

IN THE MATTER OF
N. SHURE 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 1827. Complaint, May 8, 1930—Decision, July 7, 1930

Where a corporation engaged in the sale of various articles of merchandise, advertised as "Beacon Casco Indian Blankets", "Casco Indian Shawls" and "Oneida Indian Blankets", articles not made by American Indians but woven or knit by machinery in mills or factories, with the capacity and tendency to mislead, deceive, and confuse the purchasing public into believing the same to have been made by hand by Indians:

Held, That such practices, under the circumstances set forth, were to the prejudice of the public and competitors and constituted unfair methods 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, an Illinois corporation, engaged in the sale of sundry articles of merchandise to purchasers in the various States, and with office and place of business in Chicago, with advertising falsely or misleadingly as to nature of manufacture of products dealt in, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce, in that in its advertising in its catalogues it falsely described the blankets and/or shawls, dealt in by it and woven or knit by machinery in mills or factories, as "Beacon Casco Indian Blankets", "Casco Indian Shawls", and "Oneida Indian Blankets", with the capacity and tendency to mislead and deceive the purchasing public into the belief that said articles had been woven or knit by American Indians, to the prejudice of the public and its competitors and in violation of the provision of section 5, as above set forth.

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, 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 its complaint

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upon the respondent, N. Shure Co., a corporation, charging it with the use of unfair methods of competition in interstate commerce, in violation of the provisions of said act.

Respondent having entered its appearance and filed its written return and answer to the complaint herein, admitted therein substantially all allegations of such complaint, and alleged the cessation of the methods of competition charged in said complaint. In such answer respondent consented that the Commission should proceed upon such complaint and respondent's said written return and answer to make its findings as to the facts and such order as it may deem proper to enter therein, without the introduction of testimony or the presentation of argument in support of same. And the Federal Trade Commission being now fully advised in the premises makes this its findings of the facts stated in the complaint and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business in the city of Chicago, in said State. It is now and for more than one year last past has been engaged in selling various articles of merchandise to purchasers thereof located in various States of the United States. It causes its said merchandise, when sold, to be transported from its place of business in the State of Illinois into and through other States of the United States to the purchasers thereof located in a State or States of the United States other than the State of Illinois. In the course and conduct of its business respondent is in competition with other corporations, partnerships, and individuals engaged in the sale and distribution of similar articles of merchandise in commerce between and among various States of the United States.

PAR. 2. In the course and conduct of its business as described in paragraph 1 hereof, the respondent has been and is now soliciting the sale of and selling and transporting in commerce, certain blankets and/or shawls described and advertised in catalogues published and issued by it and distributed to its customers and prospective customers located in various States of the United States. The descriptive matter in such catalogues advertising the said blankets and/or said shawls, contain the representations that the said blankets and/or shawls are:

Beacon Casco Indian Blankets

Casco Indian Shawls

Oneida Indian Blankets

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when in truth and in fact, the said blankets and/or said shawls are not manufactured by American Indians, but are made, woven, or knit by machinery in mills or factories.

PAR. 3. The use by the respondent of the phrases Beacon Casco Indian Blankets, Casco Indian Shawls, and Oneida Indian Blankets, to represent, designate, or describe and refer to its said products in the manner hereinbefore set out, has the capacity and tendency to mislead and deceive and to confuse the purchasing public into the belief that its said products so represented, designated, described, and referred to, are manufactured by hand by American Indians.

CONCLUSION

The practices of the said respondent, under the conditions and circumstances described in the foregoing findings, are to the prejudice of the public and of respondent's competitors, 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 and considered by the Federal Trade Commission upon complaint of the Commission and the record, 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, N. Shure Co., a corporation, its officers, agents, and employees, in connection with the advertising, offering for sale, and selling in interstate commerce among the several States of the United States of blankets and shawls, do cease and desist from the use of the phrases, Beacon Casco Indian Blankets, Casco Indian Shawls, Oneida Indian Blankets, or any other phrase or word which would convey to the purchasing public the representation that the blankets and/or shawls are made by hand by American Indians, unless the said blankets and/or shawls are manufactured by hand by American Indians.

It is further ordered, That the respondent shall, within 60 days after the service upon it of a copy of this order, file with the Commission a report 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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IN THE MATTER OF
PHILADELPHIA LEATHER HOUSE, A CORPORATION,
TRADING AS WESTERN TANNING COMPANY

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 1835. Complaint, May 21, 1930—Decision, July 7, 1930

Where a corporation engaged in the sale of leather of different kinds, shoe findings, shoe machinery, and shoe-store supplies to retailers in various States, and neither owning, controlling, nor operating any tanning plant, or factory tanning the leather dealt in by it, used and featured in its mail-order business in different leathers a trade name including the word "tanning" and displayed said name in printed circulars, handbills, price lists, and on letterheads, billheads, etc., together with such statements in its advertising as "Buy direct from us for cash," "We sell our leather direct to the man who uses it", "Buy direct from us and save the difference"; with capacity and tendency to mislead and deceive the public and retail dealers and to cause a substantial number thereof to purchase leather from it as and from a tannery, with cost or profit of the middleman eliminated, and to divert trade from and otherwise injure competitors:

Held, That such practices were to the prejudice of the public and competitors and constituted unfair methods of competition.

Mr. James W. Nichol for the Commission.

Mr. Benjamin S. Baker, of Omaha, Nebr., for respondent.

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 Nebraska corporation engaged as a jobber in the sale and distribution of leather of different kinds, shoe findings, shoe machinery, and shoe-store supplies, to retailers in various States, and with its principal office and place of business in Omaha, with using misleading trade names and with advertising falsely or misleadingly as to business status, in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce.

Respondent, as charged, engaged as above set forth, in carrying on a part of its business, to wit, a mail-order business in leather of different kinds, with retail dealers, adopted the trade name "Western Tanning Company" and featured said name in its circulars and bills, price lists, and other similar literature, and on letterheads, billheads, envelopes, and other stationery, and made such statements therein as "Buy direct from us for cash"; "We sell our