

Complaint

IN THE MATTER OF
ROGGEN BROS. & CO., INC.COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2053. Complaint, June 29, 1932—Order, Sept. 22, 1932*

Consent order requiring respondent corporation, its officers, etc., to cease and desist from sale in interstate commerce of shirts, not made in Troy, N.Y., with words "Troy Tailored" or "Troy" thereon or attached thereto.

Mr. Henry C. Lank 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 Roggen Bros. & Co., Inc., a corporation, 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 the said act, and states its charges in that respect as follows:

PARAGRAPH 1. The respondent is a corporation organized under the laws of the State of New York. The executive offices of the respondent are located in the city of New York, State of New York, and their factory or mill is located in the city of Elizabeth, State of New Jersey. Respondent is engaged in the manufacture of men's shirts and in the sale and distribution thereof in commerce between and among the various States of the United States. Respondent sells its shirts to retail dealers exclusively. It causes its said shirts when so sold to be shipped from its factory located in the State of New Jersey, or from its executive office located in the State of New York, to purchasers thereof located in a State or States of the United States other than the State from which the shipment was made. In the course and conduct of its business respondent is in competition with other corporations, individuals, firms and partnerships likewise engaged in the sale and distribution in interstate commerce of men's shirts.

PAR. 2. Respondent in the course of its business as described in paragraph 1 hereof, places on the shirts manufactured by them in Elizabeth, N.J., tags or labels bearing the words "Troy Tailored" without other distinguishing marks to show the true place of manufacture of said shirts. The said shirts are in fact manufactured or made in Elizabeth, N.J., and not in Troy.

PAR. 3. For a long period of time the manufacturers operating in Troy, N.Y., and the Troy (N.Y.) Chamber of Commerce and other associations of business men in that city, have extensively advertised men's shirts and other products manufactured in Troy, N.Y. In such advertising the words "Troy," "Made in Troy," "Troy Made," "Tailored in Troy," "Troy Tailored" have been featured, together with the claim that men's shirts made in Troy meant superior design, style, quality, and workmanship. As a result of such advertising the word "Troy" when used in connection with shirts for men has come to be understood by the trade and consuming public as indicating that shirts made in Troy, N.Y., are of the quality which, in the minds of the consuming public as the result of such advertising, has become associated with shirts for men actually manufactured in Troy, N.Y., and labeled and advertised as having been manufactured in that city. The use by respondent of the word "Troy" on labels placed on shirts manufactured in Elizabeth, N.J., and sold by it as aforesaid is calculated to and has the capacity and tendency to deceive the purchasing public, and such labels have been and are being used by respondent as a means of enabling it to pass off shirts not in fact made in Troy, N.Y.

PAR. 4. The acts and things done by respondent as hereinbefore set out are to the prejudice of the public and respondent's competitors and constitute unfair methods of competition in interstate 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.

ORDER TO CEASE AND DESIST

This proceeding coming on for final hearing by the Federal Trade Commission upon the record, including the complaint of the Commission, the respondent's answer that respondent waives hearing on the charges set forth in the complaint and desires not to contest the proceeding and consents that the Commission may make, enter, and serve upon it without trial, without evidence and without findings as to the facts or other intervening procedure an order to cease and desist from the violations of law charged in the complaint; and the Commission having duly considered the matter and being now fully advised in the premises:

It is ordered, That respondent, its officers, agents, representatives, and employees, cease and desist from selling or offering for sale in interstate commerce shirts with the words "Troy Tailored" or the word "Troy" alone or in combination or conjunction with any other

45

Order

word or words placed upon such shirts or upon labels or tags attached thereto unless such shirts are in fact manufactured or made in the city of Troy, N.Y.

It is further ordered, That the respondent, Roggen Bros. & Co., Inc., shall, within 60 days after the service upon it of a copy of this order, file with the Federal Trade 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.

IN THE MATTER OF
**MACHINE TOOL DISTRIBUTORS, CHICAGO DISTRICT,
ITS DIRECTORS, EXECUTIVE COMMITTEE AND
MEMBERS¹**

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

Docket 1882. Complaint, Dec. 11, 1930—Decision, Sept. 29, 1932

Where an association composed of persons and concerns (a) engaged in manufacture and/or sale of presses, drills, lathes, and other "machine tools" to customers consisting principally of machine shops and manufacturing establishments, (b) doing 85 percent of the business in new tool machinery in the "Chicago district", covering all of Iowa and parts of Indiana, Illinois, Wisconsin, Michigan, and Nebraska, and (c) comprising the only dealers in new machine tools in said Chicago district who accept used, in part payment for new, machinery, and who, prior to association's formation, were active competitive bidders among themselves and with others on such trade-in allowances to customers; and the directors, executive committee, and members of said association; with intent of eliminating members' competitive bidding on used machinery trade-in allowances, and limiting the same,

Adopted, maintained and enforced the so-called "Chicago Appraisal Plan", pursuant to which (1) members are obligated to register their own bid with association's central office and advise themselves of any prior offers before making their own, (2) members' offers must be firm cash offers, and (3) member making initial appraisal offer or member making latest increase may be called upon to accept used machinery involved at his appraisal figure irrespective of his securing order;

With tendency to cause members to refrain from increasing prior appraisals and to limit their bids, and with result of depriving aforesaid customers of competitive bids from them, or from the largest, local, used machinery dealer, to whom members without used machinery departments turned for appraisals, and of compelling them to accept smaller allowances for their used machinery trade-ins than they would have otherwise received and thus pay higher prices for new machinery, and with an undue tendency (a) to suppress competition in interstate commerce between said members in purchase of used, "trade-in" machinery, and in sale of new machines, and (b) deprive customers of the free and open competitive market for their used machinery, theretofore enjoyed by them; all to the prejudice of the public and member competitors:

Held, That such practices, under the conditions and circumstances set forth, were to the prejudice of the public and competitors and constituted unfair methods of competition.

¹ Erroneously named in the complaint as Chicago Machine Tool Distributors.