

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS AND ORDERS, DECEMBER 3, 1934, TO JUNE 24, 1935

IN THE MATTER OF

KAUMAGRAPH CO. ET AL.

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

Docket 2165. Complaint, Mar. 3, 1934—Order, Dec. 3, 1934

Consent order requiring respondent Kaumagraph Co. and respondent American Trade Mark Corporation, their agents, officers, directors, representatives, and employees, and respondent individuals, as specified, individually and in their respective official capacities as officers and directors of said corporations, to cease and desist from directly or indirectly engaging or taking part in any combination or concerted action or course of conduct, among themselves or with others, with intent, tendency, or effect of stifling, restraining or preventing actual or potential competition in the sale or distribution in interstate commerce, the District of Columbia or any Territory, of transfers and kindred products such as stamps, seals, brands, labels, and similar devices, or, with intent, tendency, or effect of establishing or maintaining a monopoly in said business in said corporations, or in any other person or concern, from directly or indirectly—

- (a) Causing or assisting in causing said American Trade Mark Corporation or any other manufacturer or seller of transfers or kindred products, falsely to be held out as an independent competitor of respondent Kaumagraph Co.;
- (b) Causing or assisting in causing, through concerted action between said corporations or between either and any other manufacturer of transfers or kindred products, the making of sales below cost by any manufacturer or seller of such products, when the purpose, tendency, or effect thereof is to restrain competition or injure competitors;
- (c) Covertly using, operating, or controlling any manufacturer or seller of transfers or kindred products as an instrumentality or weapon in behalf of respondent Kaumagraph Co., when the purpose or effect thereof is to unreasonably restrain competition or injure competitors;
- (d) Issuing or circulating threats or warnings of patent infringement suits, or litigation against purchasers or users of transfers or kindred products made or sold by competitors, when not made or done in good faith or upon probable cause, or causing or attempting to cause purchasers or prospective purchasers of such products to discontinue or refrain from dealing with competitors, through concerted action of respondent corporations or between either of them and any other concern, or in bad faith;

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- (e) Acquiring the capital stock or control of any competitors, with intent or effect of thereby substantially eliminating or suppressing competition, or establishing or maintaining a monopoly in respondents or any of them;
- (f) Causing or attempting to cause machines used to affix designs and marks of transfers or kindred products, to fabrics and other articles of commerce, to be offered for sale, lease or license, or to be sold, leased, or licensed, by respondents or by any manufacturer or vendor thereof, and prices to be fixed and charged therefor, on the condition, agreement, or understanding that only the transfers or kindred products made or sold by respondents shall be used in the operation of said machines by such vendees, licensees, or lessees in their business, with intent, tendency, or effect of thereby substantially restraining or preventing the competition encountered by respondents or any of them in the sale of their transfers and kindred products;
- (g) Causing or attempting to cause, by concerted action between respondent corporations or either of them and any other manufacturer of transfers or kindred products, purchasers of articles of commerce, upon which transfers or kindred products are used, to demand, require or insist as a condition to their purchases, that the manufacturers or sellers of aforesaid articles of commerce, shall use exclusively the transfers and kindred products of respondents; and

Ordered further, That the complaint be dismissed as to respondent Manufacturers Management Corporation, which has gone out of business and been dissolved, and as to respondent M. L. Stewart, deceased.

Mr. Henry Miller for the Commission.

Moses, Nehrbas & Tyler, of New York City, for Kaumagraph Co., Manufacturers Management Corporation, Trowbridge Marston, George M. Porges, and T. H. Miller.

Breed, Abbott & Morgan, of New York City, for American Trade Mark Corporation, Donald B. Stewart, Bert T. Shaw, and Madeline Ozy.

COMPLAINT

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, having reason to believe that Kaumagraph Company, a corporation, Manufacturers Management Corporation, a corporation, American Trade Mark Corporation, a corporation, and the following-named persons: Trowbridge Marston, George M. Porges, T. H. Miller, individually and as officers and directors of said Kaumagraph Company and Manufacturers Management Corporation, M. L. Stewart, individually and as an officer and director of said Manufacturers Management Corporation, Donald B. Stewart, Bert T. Shaw, Madeline Ozy, individually and as officers and directors of said American Trade Mark Corporation, respondents, have been and are using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to said Com-

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mission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. (a) Respondent Kaumagraph Company is a corporation organized and existing since the year 1905 under and by virtue of the laws of the State of New York, having its principal office and place of business in the City and State of New York, to wit, at 200 Varick Street, New York City, N. Y.

(b) Respondent American Trade Mark Corporation is a corporation organized and existing since the year 1927 under and by virtue of the laws of the State of New York, having its principal office and place of business in the City and State of New York, to wit, at 151 West 19th Street, New York City, N. Y.

(c) Respondent Manufacturers Management Corporation is a corporation organized and existing since the year 1927 under and by virtue of the laws of the State of New York, having its office and place of business in the City and State of New York. The respondent Kaumagraph Company and its officers caused said Manufacturers Management Corporation to be created or incorporated. The officers and directors of said Manufacturers Management Corporation were and are officers and directors of respondent Kaumagraph Company and said Kaumagraph Company is and has been the holder or owner of all the outstanding capital stock or of more than a majority of the authorized capital stock of said Manufacturers Management Corporation, which two corporations have and maintain their offices and places of business jointly or in common at 200 Varick Street, New York City, N. Y.

Said Manufacturers Management Corporation is and has been actively engaged in the management, operation, and promotion of the affairs and business of said Kaumagraph Company and American Trade Mark Corporation and is or has been holding the legal or beneficial title or interest in or to a majority or more of the outstanding capital stock of said American Trade Mark Corporation. The said title or interest in said capital stock of the American Trade Mark Corporation is or has been held by said Manufacturers Management Corporation for the use or benefit of said Kaumagraph Company and of said Manufacturers Management Corporation or their officers. In the course of the business of respondent corporations, as hereinafter described, the said Manufacturers Management Corporation and American Trade Mark Corporation in their business affairs are and have been controlled, managed, directed, or operated, directly and indirectly, by or for the benefit of the said Kaumagraph

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Company and as agencies, subsidiaries, or instrumentalities of the said Kaumagraph Company and its officers and directors.

(*d*) Respondent Trowbridge Marston is and has been the president and director of respondent Kaumagraph Company, and the president and a director of respondent Manufacturers Management Corporation; and he is and has been actively serving as such respective president and director.

(*e*) Respondent George M. Porges is and has been vice president and director of respondent Kaumagraph Company and vice president and director of respondent Manufacturers Management Corporation, and he is and has been actively serving as such respective vice president and director.

(*f*) Respondent T. H. Miller is and has been holding the offices of secretary, treasurer, and director of respondent Kaumagraph Company and the offices of treasurer and director of respondent Manufacturers Management Corporation, and he is and has been actively serving as such respective officers and director of said corporations.

(*g*) Respondent M. L. Stewart is and has been holding the offices of secretary and director of respondent Manufacturers Management Corporation, and she is and has been actively serving as such secretary and director.

(*h*) Respondent Donald B. Stewart is and has been holding the offices of president, treasurer and director of respondent American Trade Mark Corporation, and he is and has been actively serving as such president, treasurer, and director.

(*i*) Respondent Bert T. Shaw is and has been holding the offices of vice president and director of said American Trade Mark Corporation and he is and has been actively serving as such vice president and director.

(*j*) Respondent Madeline Ozy is and has been holding the offices of secretary and director of said American Trade Mark Corporation, and she is and has been actively serving as such secretary and director.

PAR. 2. Respondents Kaumagraph Company and American Trade Mark Corporation are each, and since the respective dates of their incorporation have been, engaged in the business of manufacturing, selling, and distributing to the purchasing public throughout the United States, transfers, seals, stamps, brands, labels, and similar devices used for marking, branding, labeling, or stamping trade marks, designs, patterns, devices, and other marks or symbols upon textile fabrics, garments, embroidery, leather, leather goods, and other articles of commerce, embracing such commodities as hosiery and various other garments for men, women, and children, cloth or

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fabrics made in whole or in part of cotton, silk, wool, rayon, flax, hemp, or other fibrous material, and articles manufactured therefrom. Said transfers are usually made of pieces of thin tissue paper upon which is deposited a composition forming the outline of the design, mark, or symbol which when used is transferred to the fabric or other goods intended to be marked by pressing the transfer against the article and applying heat.

Said purchasers to which respondents Kaumagraph Company and American Trade Mark Corporation sell and distribute their said products throughout the United States embraces, among others, knitting mills, weaving mills, and other manufacturers of the fabrics, garments and other products or articles upon which such transfers, seals, stamps, brands, labels, or devices are used. In and throughout the course and conduct of said business, and in executing and filling the purchase orders received from their customers, said respondents Kaumagraph Company and American Trade Mark Corporation caused and have caused their said products, as and when sold, to be transported, shipped, or delivered in commerce from their respective factories or places of business in the State of New York and elsewhere into or through States other than the State or States in which such respective shipments originated, and in or through the Territories and the District of Columbia, to the several purchasers thereof in such other States or the Territories or said District.

PAR. 3. There are and for more than three years last past have been various and sundry other concerns, namely persons, partnerships, firms, or corporations likewise engaged in the business in the United States of manufacturing and/or selling and distributing similar or like transfers, seals, stamps, brands, labels, and other devices in commerce in, between, and among the several States and Territories of the United States and the District of Columbia, which concerns, in the course of their respective business, are, or have been, competitors of respondents. The said products of such other concerns are and have been competitive to the said products manufactured and sold by respondents Kaumagraph Company and American Trade Mark Corporation; and when being marketed as aforesaid the said products of such other concerns are and have been offered for sale or sold and distributed, in competition with said respondents and their products, to the purchasing public throughout the United States, or in various sections thereof.

Respondent corporation Manufacturers Management Corporation and said respondent persons, as individuals and in their respective capacities as aforesaid officers and directors of respondent corporations, are and have been directly and actively engaged in managing,

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conducting, or promoting the affairs and business of said Kaumagraph Company and American Trade Mark Corporation; and all the respondents in said business have been and are engaged in commerce as "commerce" is defined in said Act of Congress approved September 26, 1914, and in such competition therein with said competitors of respondents as said other concerns have been or are able to engender or afford in the sale or distribution of such transfers, seals, stamps, brands, labels, and similar devices.

PAR. 4. Respondent Kaumagraph Company is the predominant and largest competitor in and member of said industry and trade engaged in the manufacture, sale, and distribution in the United States of such transfers, stamps, seals, brands, labels, and similar devices; and its volume of business and resources are and have been substantially (to wit, about 100 percent) greater than the aggregate volume of business and resources of all competitors of respondents. By reason of such predominant position and large resources respondent Kaumagraph Company is and has been the most powerful and influential member and competitor in said industry and trade.

PAR. 5. In the course and conduct of respondents' said business and in or during the period of more than three years last past, respondent Kaumagraph Company has pursued and continues to pursue a course of action or conduct (a) with the purpose, tendency, and effect of stifling, suppressing, eliminating, preventing, or destroying actual and potential competition between the said Kaumagraph Company and American Trade Mark Corporation, on the one hand, and the said other concerns or competitors of respondents on the other hand, and the competition generally which has been or might be engendered or afforded by competitors of respondents, and (b) with the purpose, tendency, and effect of acquiring or maintaining or of attempting to acquire or maintain a monopoly in or of the industry or trade in the United States of selling and distributing said transfers, stamps, seals, brands, labels, and other products; and with similar or like purposes, tendencies, and effects the several respondents have engaged and are still engaged in an unlawful combination, conspiracy, and confederation among themselves and with others, and have acted and continue to act in concert, cooperation, and collusion with each other and with others. And in pursuance of said course of action or conduct and of said combination, conspiracy, confederation, cooperation, collusion, and concerted action, and in order to carry out or effectuate said purposes, tendencies, and effects of stifling, suppressing, eliminating, preventing, or destroying competition or creating or maintaining such monopoly as aforesaid, the following acts, practices, transactions, or methods are or have been used, committed,

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and engaged in by the respondents and especially by respondent Kaumagraph Company, directly or indirectly:

(1) Said American Trade Mark Corporation is and has been held out to the purchasing public of the United States as a genuine independent competitor of respondent Kaumagraph Company, and its business so operated as to make such American Trade Mark Corporation appear to be an active, independent, and genuine competitor of respondent Kaumagraph Company, with the intention, tendency, and effect of misleading and deceiving purchasers and others into dealing with said American Trade Mark Corporation in or because of the erroneous belief that it is an independent and genuine competitor of respondent Kaumagraph Company, of securing trade from purchasers who are not desirous of buying from respondent Kaumagraph Company, of thereby diverting trade from respondents' competitors, and of oppressing, obstructing, and restraining them in their business. In truth and in fact, said American Trade Mark Corporation and its business are and have been directly or indirectly controlled, managed, or operated by respondents Kaumagraph Company and Manufacturers Management Corporation, and said American Trade Mark Corporation is not and never has been a genuine or independent competitor of, nor has its business been operated in genuine competition with, said Kaumagraph Company or said other respondents.

(2) The American Trade Mark Corporation, having extensive resources and having the support of and access to the extensive resources of respondents Kaumagraph Company and Manufacturers Management Corporation in competition with other concerns of small or limited resources, sold its transfers and other products at prices below its costs, and at prices which were lower than its cost of manufacture, sale, and distribution of said products, and at prices which produced no profit to said American Trade Mark Corporation, with the intention, tendency, and effect of driving such competing concerns out of business and of eliminating and restraining competition, and with the intention and tendency of establishing and maintaining a monopoly in respondents.

(3) Said American Trade Mark Corporation is and has been directly or covertly used in the operation of its business as an instrumentality or weapon of or in behalf of respondents Kaumagraph Company and Manufacturers Management Corporation to prevent, hamper and obstruct the making of sales of transfers and similar products by respondents' competitors and to otherwise restrain, prejudice, and injure such competitors in their business.

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(4) While pretending to be independent of and concealing its connection with said Kaumagraph Company, said American Trade Mark Corporation actively engaged in proposing and attempting to effect mergers or consolidations with itself of competitors of Kaumagraph Company under the pretense of competitively fighting that company, but with the real purpose of placing itself in a position of influence and control among those competitors while maintaining secretly its aforesaid relationship with such Kaumagraph Company, all to the end that the business of said competitors might be directly or indirectly controlled by respondents, particularly by respondent Kaumagraph Company, and competition with respondents thereby eliminated, lessened, or restrained, and that a monopoly be established or maintained in respondents. Respondents Kaumagraph Company and Manufacturers Management Corporation furnished and undertook to supply financial and other aid and assistance to said American Trade Mark Corporation to enable it so to do and to promote such mergers or consolidations.

(5) Issuing and causing to be issued and delivered, by mail and otherwise, by or in the name of said Kaumagraph Company or others to the purchasing public generally and to the customers and prospective customers of respondent's competitors, circular letters, and communications threatening patent infringement suits or other litigation against purchasers or users of certain products of respondents' competitors, and warning or advising purchasers and prospective purchasers of liability for or the intention of respondents to institute patent infringement suits or other litigation against purchasers or users of the transfers or other products of a competitor or competitors of respondents, which threats, warnings, and advice were not made in good faith nor upon probable or reasonable cause but with the intention, tendency, and effect of causing trade to be diverted from competitors of respondents or of causing such competitors to be otherwise hampered, obstructed, prejudiced, or injured in their business.

(6) Notifying, by circular letter and other communications, customers and prospective customers of respondents' competitors of the pendency between the Kaumagraph Company and certain of its competitors of suits for alleged patent infringements relating to the manufacture of transfers or other competitive products, with the intention, tendency, and effect of coercing or causing purchasers and prospective purchasers of transfers and similar products to discontinue purchasing from or to refrain from dealing with competitors of respondents, and otherwise prejudicing and injuring such competitors in their business.

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(7) With the financial and other aid and assistance of the other respondents, said American Trade Mark Corporation acquired the outstanding capital stock, the business, assets, and the control of the Continental Trade Mark Corporation and the Mark-O-Gram Company, corporations which then and prior to such respective acquisitions were substantial competitors of respondents, particularly of respondent Kaumagraph Company, in said business of manufacturing and selling transfers, seals, stamps, brands, and similar products; all with the intention, tendency and effect of thereby eliminating, suppressing, and preventing all actual and potential competition of said Continental Trade Mark Corporation and Mark-O-Gram Company with respondents, and with the intention and tendency of creating and maintaining a monopoly in respondents.

(8) Causing and continuing to cause certain machines, used for affixing the designs and marks of transfers and similar products to fabrics and other articles of commerce, to be offered for sale or lease or license, and to be sold, licensed, or leased by respondents or the manufacturers thereof or by others, and prices to be fixed and charged therefor, on the condition, agreement, or understanding that only the transfers, stamps, brands, seals and other products manufactured and sold by the respondent shall be used in the operation of said machines by such vendees, licensees, or lessees in their business; with the intention, tendency, and effect of thereby substantially lessening, restraining, and preventing the competition encountered by respondents in the sale of their transfers and other products and of lessening, restraining, or obstructing the freedom of fair competition in said line of trade or commerce, and of injuring respondents' competitors in their business. Said machines are or are claimed by respondents to be patented, and their marketing is and has been controlled by respondents pursuant to contract between respondent Kaumagraph Company and the manufacturers of the machines.

(9) With the intent, tendency, and effect of diverting trade from competitors, of causing or coercing customers and prospective customers to refrain from dealing with their competitors, of prejudicing the purchasing public against competitors' transfers and other products, and of otherwise injuring and oppressing competitors in their business, respondents attempted to and did cause purchasers of hosiery and other articles upon which transfers, stamps, seals, brands, and similar products are used to demand, require, or insist as a condition to such purchasers that manufacturers of said hosiery and other articles use exclusively or only the transfers, stamps, seals, brands, or other products manufactured or sold by respondents to

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the exclusion of the transfers, stamps, brands, seals, or similar products manufactured or sold by competitors of respondents.

(10) Other overt acts, practices, transactions, or methods.

PAR. 6. The aforesaid acts, practices, and things done by respondents and each of them as alleged in paragraph 5 hereof have and had the capacity, tendency, and effect (a) of restraining, suppressing, stifling, or preventing actual and potential competition in the sale and distribution of transfers, stamps, seals, brands, and similar products in the United States between the respondents and their said competitors; (b) of creating or maintaining and tending to create or maintain a monopoly in respondents, particularly in respondent Kaumagraph Company, in the manufacture or sale and distribution of said products in the United States; (c) of hindering, restraining, or obstructing the free flow of said products in the channels of interstate trade and commerce and to deny to the public those advantages which would be obtained by purchasers and the public generally under conditions of normal and unobstructed or free and fair competition in said trade and industry, and to otherwise injure the public; (d) of unfairly diverting trade from and otherwise prejudicing and injuring respondents, competitors in their business; and (e) of otherwise operating as a restraint upon and a detriment to the freedom of fair and legitimate competition in said trade or industry of selling and distributing transfers, stamps, seals, brands, labels, and other products in the United States.

PAR. 7. The said acts, transactions, practices, and things done by respondents as alleged in paragraph 5 hereof, under the circumstances and conditions hereinbefore set forth, are methods of competition in commerce which are unfair and unlawful, and they and each of them constitute unfair methods of competition in commerce in violation of Section 5 of the said 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 AND ORDER OF DISMISSAL

This proceeding having come on for final hearing by the Federal Trade Commission upon the record, including the complaint of the Commission issued under 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", and the substitute answer of respondents Kaumagraph Company, Trowbridge Marston, George M. Porges, T. H. Miller, American Trade Mark Corporation, Donald B. Stewart, Bert T. Shaw, and

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Madeline Ozy, that such respondents, desiring to conclude the proceeding without further expense incident to the introduction of evidence in support of the complaint or in opposition thereto, and desiring to waive hearing and not to contest the proceeding, waive hearing on the charges set forth in the complaint, refrain from contesting the proceeding and, pursuant to the provisions of the Rules of Practice of the Federal Trade Commission with respect to answers (quoted and cited in the complaint), consent that the Commission may make, enter, and serve upon respondents without a trial, without evidence, and without findings as to the facts or other intervening procedure, a final order as stated in said substitute answer; and the said substitute answer having been accepted by the Commission in lieu of answers theretofore filed by respondents, and the Commission having duly considered the matter and being advised in the premises—

(a) *It is now ordered*, That said respondents Kaumagraph Company and American Trade Mark Corporation, their agents, officers, directors, representatives, and employees, and respondents Trowbridge Marston, George M. Porges, T. H. Miller, Donald B. Stewart, Bert T. Shaw, and Madeline Ozy, individually and in their respective official capacities hereinabove stated, and their agents, representatives, and employees, cease and desist from directly or indirectly entering into, engaging or taking part in, any agreement, combination, conspiracy, collusion, concerted action, or concerted course of conduct among themselves or with others, for the purpose or with the intention, tendency or effect of stifling, suppressing, eliminating, restraining, preventing, or destroying actual or potential competition in the industry, trade, or business in the United States of selling or distributing, in interstate commerce or in the District of Columbia or in any Territory of the United States, transfers and kindred products such as stamps, seals, brands, labels, and similar devices, or with the intention, purpose, tendency, or effect of establishing, creating, or maintaining, or of tending to establish, create, or maintain, a monopoly of said industry, trade, or business in respondent Kaumagraph Company or respondent American Trade Mark Corporation or in any other person, firm or corporation; and, directly or indirectly, from doing, or engaging or taking part in, any of the following acts, practices, or methods, to wit:

(1) Unless such American Trade Mark Corporation or other manufacturer or seller of transfers or kindred products is an independent competitor of respondent Kaumagraph Company, causing or assisting in causing said American Trade Mark Corporation or

any such other manufacturer or seller to be held out as an independent competitor of respondent Kaumagraph Company.

(2) By concerted action between respondent corporations or between any such corporation and any other manufacturer or manufacturers of transfers or kindred products, causing or aiding or assisting in causing the making of sales below cost by any manufacturer or seller of transfers or kindred products when the purpose, tendency or effect thereof is to restrain competition or injure competitors.

(3) Covertly using, operating, or controlling any manufacturer or seller of transfers or kindred products as an instrumentality or weapon in behalf of respondent Kaumagraph Company, when the purpose or effect thereof is to unreasonably restrain competition or injure competitors.

(4) When not made or done in good faith or upon probable cause, issuing or circulating threats or warnings of patent infringement suits or other litigation against purchasers or users of transfers or kindred products manufactured or sold by competitors of respondents; or, by concerted action of respondent corporations or between any such corporations and any other concern, or in bad faith, causing or attempting to cause purchasers or prospective purchasers of transfers and kindred products to discontinue purchasing from or to refrain from dealing with competitors of respondents or any of them.

(5) Acquiring the capital stock or control of any competitors of respondents with the intention, purpose or effect of thereby substantially eliminating or suppressing competition or of establishing or maintaining a monopoly in respondents or any of them.

(6) Causing or attempting to cause machines, used for affixing the designs and marks of transfers or kindred products to fabrics and other articles of commerce, to be offered for sale, lease or license or to be sold, leased, or licensed, by respondents or by any manufacturer or vendor thereof, and prices to be fixed or charged therefor, on condition, agreement, or understanding that only the transfers or kindred products manufactured or sold by the respondents shall be used in the operation of said machines by such vendees, licensees or lessees in their business, with the intention, purpose, tendency, or effect of thereby substantially lessening, restraining or preventing the competition encountered by respondents or any of them in the sale of their transfers and kindred products.

(7) By concerted action between respondent corporations or between any such corporation and any other manufacturer or manufacturers of transfers or kindred products, causing or attempting to cause purchasers of articles of commerce upon which transfers or

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kindred products are used, to demand, require or insist as a condition to such purchases that manufacturers or sellers of said articles of commerce shall use exclusively or only the transfers and kindred products of respondents.

(b) *It is further ordered*, That respondents Kaumagraph Company, Trowbridge Marston, George M. Porges, T. H. Miller, American Trade Mark Corporation, Donald B. Stewart, Bert T. Shaw, and Madeline Ozy shall, within 60 days after the date of the service upon them of a copy of the order herein, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist hereinabove set forth.

(c) It appearing to the Commission that respondent Manufacturers Management Corporation has gone out of business and has been dissolved, and that respondent M. L. Stewart is deceased, therefore,

It is further ordered, That said complaint be and the same is hereby dismissed as to said respondents Manufacturers Management Corporation and M. L. Stewart.

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IN THE MATTER OF
NACTO CLEANER CORPORATION

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

Docket 2174. Complaint, Apr. 27, 1934—Order, Dec. 7, 1934

Consent order requiring respondent corporation, its agents, etc., in connection with the sale and the advertising and offering for sale of Nacto Fabric Cleaner in interstate commerce, to cease and desist from representing, directly or indirectly, on the labels attached to the product, Nacto Fabric Cleaner, or in advertisements in newspapers, circulars, or other publications, or by means of the radio, that Nacto Fabric Cleaner when used on materials will not injure them or their color, unless and until the said product shall be so composed that in connection with its use it will not in fact injure materials or their color.

Mr. Edward E. Reardon for the Commission.

COMPLAINT

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, having reason to believe that Nacto Cleaner Corporation, hereinafter referred to as the respondent, has been or is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to said Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Nacto Cleaner Corporation, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located in the City of New York in the said State. It is now and for more than one year last past has been engaged in the manufacture and compounding of cleaning fluids for garments and fabrics and in the sale and distribution of said cleaning fluids under the brand or trade name "Nacto", in commerce between and among the various States of the United States. It has caused and still causes said "Nacto" cleaning fluids when sold to be shipped from its factory in the State of New York to purchasers thereof located in the State of New York and in various other States of the