

Complaint

20 F. T. C.

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

United States, the Territories thereof and the District of Columbia, and there is now and has been for more than one year last past a constant current of trade and commerce between and among the various States and territories of the United States and the District of Columbia in said "Nacto" cleaning fluids. In the course and conduct of its business, respondent is now and has been for more than one year last past in competition with other corporations and with individuals, firms, and partnerships engaged in the sale and distribution in interstate commerce of cleaning fluids used for the same purposes for which said respondent represents said "Nacto" cleaning fluid to be useful.

PAR. 2. On the labels of the containers of one of its products called by respondent "Nacto Fabric Cleaner" and in soliciting the sale of the said product respondent, Nacto Cleaner Corporation, in and by advertisements in magazines of general circulation throughout the United States and in newspapers and circulars, represents, and for more than one year last past has represented that said "Nacto Fabric Cleaner" works equally well on heavy and fine fabrics and that it will not injure material or color.

In truth and in fact, said "Nacto Fabric Cleaner" does not work equally well on heavy and fine products, and will injure certain materials and colors. And in truth and in fact, said "Nacto Fabric Cleaner" when used on garments and fabrics dyed with "fugitive" colors will cause the same to "bleed" and will also dissolve certain materials such as celanese, crepes, and silk cloths when and if such celanese, crepes, and silk cloths are "weighted" to give them body, and will thus injure such colors and materials.

PAR. 3. The use by the respondent, Nacto Cleaner Corporation, of the advertising and labels described in paragraph 2 hereof, stating that "Nacto Fabric Cleaner" works equally well on heavy and fine fabrics and/or that "Nacto Fabric Cleaner" will not injure material or color has the capacity and tendency to and does mislead and deceive purchasers and prospective purchasers of said "Nacto Fabric Cleaner" into the belief that said "Nacto Fabric Cleaner" works equally well on heavy and fine fabrics and that it will not injure material or color, and to purchase said "Nacto Fabric Cleaner" in such beliefs. Thereby trade in interstate commerce is diverted to respondent from respondent's competitors, and as a consequence thereof, substantial injury is done by respondent to substantial competition in interstate commerce.

PAR. 4. The above acts and things done by respondent are all to the injury and prejudice of the public and the competitors of respondent in interstate commerce within the intent and meaning of

Order

20 F. T. C.

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

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" (38 Stat. 717), the Federal Trade Commission on April 27, 1934, issued its complaint against the above-named respondent, in which it is alleged that the respondent is and has been using unfair methods of competition in interstate commerce, in violation of the provisions of Section 5 of said Act. On December 5, 1934, the respondent filed its amended answer to the said complaint, wherein the respondent consents that the Federal Trade Commission may make, enter, and serve upon it, in accordance with the provisions of paragraph (b) of Rule V of the Rules of Practice of the Commission, an order to cease and desist from the practices alleged in the complaint in connection with the sale in interstate commerce of a product manufactured by the respondent known as Nacto Fabric Cleaner, and the Commission being fully advised in the premises:

It is now ordered, That the respondent, Nacto Cleaner Corporation, its agents, employees, and representatives, in connection with the sale and the advertising and offering for sale of Nacto Fabric Cleaner in interstate commerce do—

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.

It is further ordered, That the said respondent, Nacto Cleaner Corporation, shall, within 60 days after the date of service upon it 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 and is now complying with the order to cease and desist hereinbefore set forth.

Complaint

IN THE MATTER OF
NATIONAL DELIVERY ASSOCIATION, INC.

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

Docket 2163. Complaint, Feb. 14, 1934—Order, Dec. 10, 1934

Order accepting and approving stipulation, pursuant to which it was stipulated and agreed that respondent had ceased and would not resume representing in advertisements and telephone directories, circulars, newspapers, or periodicals, or by radio or otherwise, in or in connection with its business of moving and transporting goods, wares, and merchandise, in commerce, as defined in said act, that—

- (a) It makes daily trips to Philadelphia, New York, Pittsburgh, New Haven, Boston, Albany, Richmond, Norfolk, York, and all way points, or to any other point or points, unless and until it shall in fact have and maintain a regular schedule of daily trips to the cities or points so named;
- (b) It makes weekly trips to Buffalo, Cleveland, Detroit, Chicago, Cincinnati, Columbus, Indianapolis, St. Louis, Rochester, Charlotte, Atlanta, Jacksonville, and all way points, or to any other point or points, unless and until it shall in fact have and maintain a regular schedule of weekly trips to the cities or points so named;
- (c) It has or maintains offices in Boston, Hartford, Bridgeport, New York, Albany, Philadelphia, Reading, York, Wilmington, Baltimore, Roanoke, or in any other cities or at any other points, unless and until it shall in fact have or maintain offices at any place or places so named in charge of a representative of respondent and that reasonably fulfill the requirements of offices as that term is ordinarily used and understood; or
- (d) It owns and/or operates storage warehouses and does a general storage business, unless and until it does in fact own and/or operate storage warehouses; and that—

Upon the execution of this stipulation the Commission will close the case without prejudice to its being reinstated and carried through to an order to cease and desist, in the discretion of the Commission.

Mr. Robt. N. McMillen for the Commission.

Mr. Samuel Boyd, of Washington, D. C., for respondent.

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 the National Delivery Association, Inc., a corporation, has been, or is, using unfair methods of competition in commerce as "commerce" is defined in such act, and it appearing to said Commission that a proceeding by it in respect thereto would be in the