

Syllabus

IN THE MATTER OF

NATIONAL ASSOCIATION OF LADIES' HANDBAG MANUFACTURERS, ITS OFFICERS, EXECUTIVE COMMITTEE, AND MEMBERS

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

Docket 2226. Complaint, Aug. 23, 1934—Order, Feb. 20, 1935

Consent order requiring members of respondent association, their respective officers, agents, servants and employees, forthwith to cease and desist from—

- (a) Carrying out a certain agreement, combination, understanding and conspiracy by and through respondent association, its officers, agents and executive committee, by which they fixed and maintained, (1) uniform prices to be exacted by them from purchasers in interstate commerce of their ladies imitation leather handbags, and (2) uniform prices to be exacted by retailers of handbags purchased by said retailers in interstate commerce from them, or from any other person or concern, and resold to the purchasing public; or
- (b) Entering into and carrying out any other agreement, combination, understanding and conspiracy among themselves or with any other manufacturer of retail handbags to (1) fix or maintain uniform prices for said articles sold by them or any other person or concern in interstate commerce, or (2) fix or maintain uniform prices to be exacted by retailers of such articles purchased by said retailers in interstate commerce from them or from any other person or concern, and resold by such retailers to the purchasing public; and

Ordered further, That respondent association and respondent officers, agents and executive committee, and each of them, forthwith cease and desist from assisting respondent members in entering into and carrying out aforesaid agreements, combinations, understandings and conspiracies and from being the means or instrumentality by and through which such, or any similar agreements, combinations, understandings, and conspiracies are entered into.

Mr. Edward L. Smith for the Commission.

Schlesinger & Krinsky, of New York City, for National Association of Ladies' Handbag Manufacturers and various officers and members thereof.

Mr. Archibald Palmer, of New York City, for Morris White Manufacturing Co., Inc., and Style Craft Leather Goods Co.

Mr. Charles W. Newmark, of New York City, for Paragon Bag Co., Inc.

Mr. Maxwell E. Verlin, of Philadelphia, Pa., for Ingber Co.

Mr. Bernard I. Levine, of Boston, Mass., and *Mr. Julian A. Berghoffen*, of New York City, for Geffen-Weene Bag Co.

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Mr. David Mancovitz, of Boston, Mass., for Elite Leather Goods Co.

Mr. Ralph J. Gutman, of New York City, for Uneeda Leather Goods Supply Mfg. Co., Inc.

Mr. Gabriel Kirzenbaum, of New Brunswick, N. J., for Petite Handbag Co.

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", having reason to believe that National Association of Ladies' Handbag Manufacturers, its officers as follows: Abraham C. Fisher, director and general manager; Ira Rosenzweig, president; Morris Aarenau, vice president; Henry Meyers, treasurer; Ethel Nagel, secretary; its executive committee as follows: Jack Margolin, Jerry Goldberg, David A. Ingerber, Aaron Landis, Murray Resnick, George Meyers, Joseph Rudolph, Hyman Burstein, Samuel R. Goldsmith, Jimmy Goldberg, Jos. Malino; and its members as follows: Aarenau & Wolf, Inc., H. Margolin & Co., Morris White Manufacturing Co., Inc., Style Craft Leather Goods Co., Beacon Leather Goods, Inc., Paragon Bag Co., Inc., Nu Mode Bag Co., Ingber Co., M. J. Fox, trading as M. J. Fox & Co., International Leather Goods Co., Gitlin Bros. & Rush Co., Geffen-Weene Bag Co., Elite Leather Goods Co., Crescent Leather Goods Co., Max Brill & Sons, Inc., Sol Mutterperl, Inc., Hudson Leather Goods Co., Inc., The Meeker Company, Uneeda Leather Goods Supply Mfg. Co., Inc.,¹ Licht & Kaplan, The Phoenix Leather Goods Co., Inc., Royal Leather Goods, Christo J. Scumniotalen, trading as Phoenix Novelty Co., Petite Handbag Co., Hamilton Leather Goods Co., Goldberg Bros. Handbag Co., Katz Leather Goods Co., R. & K. Leather Goods Co., Paragon Novelty Bag Co., George Meyers, Samuel Meyers and Henry Meyers, trading as Meyers Manufacturing Co., Resnick Bros. Ladies' Handbags, Springfield Ladies' Handbag Company, Harlic Bag Co., Strand Leather Goods Co., Inc., Classy Leather

¹ The Commission on October 5, 1934, dismissed the complaint as to this respondent by the following order:

Uneeda Leather Goods Supply Manufacturing Company, Inc., one of the respondents herein, having represented to this Commission that it was improperly named as one of the respondents herein, and having, for the reason aforesaid, moved this Commission that this proceeding be discontinued as to said Uneeda Leather Goods Supply Manufacturing Company, Inc., and the Commission having duly considered the same and being fully advised in the premises:

Now, therefore, it is hereby ordered, That the said motion be, and the same is hereby, granted, and that the complaint in this proceeding as to said Uneeda Leather Goods Supply Manufacturing Company, Inc., be, and the same is hereby, dismissed.

Goods, Corp., Charles Burstein & Bros., Inc., Landis Leather Goods, Inc., Joseph Forst, trading as Forst Co., Goldsmith Bros. Manufacturing Co., trading as Lucky Styles Co., Goldberg & Seltzer, Inc., Ryan Cushing Co., Mrs. Ruel Pierce, trading as Dyer Manufacturing Co., Julius Herz and Jack M. Kory, partners, trading as Herz & Kory and Capital Leather Goods Co., respondents herein, have been and are 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, National Association of Ladies' Handbag Manufacturers, is a voluntary unincorporated trade association, organized in or about September 1933. It is hereinafter designated as respondent association. Its officers are, and continuously since its organization have been, the following, who are hereinafter referred to as respondent officers: Abraham C. Fisher, director and general manager; Ira Rosenzweig, president; Morris Aarenau, vice president; Henry Meyers, treasurer; Ethel Nagel, secretary. The executive committee of said respondent association continuously since its organization, has been the following respondents, who will be hereinafter referred to as respondent executive committee: Jack Margolin, Jerry Goldberg, David A. Ingerber, Aaron Landis, Murray Resnick, George Meyers, Joseph Rudolph, Hyman Burstein, Samuel R. Goldsmith, Jimmy Goldberg, and Jos. Malino.

The members of said respondent association are now, and since its organization have been, the following, who are hereinafter referred to as respondent members: Aarenau & Wolf, Inc., H. Margolin & Co.; Morris White Manufacturing Co., Inc.; Style Craft Leather Goods Co.; Beacon Leather Goods, Inc.; Paragon Bag Co., Inc.; Nu Mode Bag Co.; Ingber Co.; M. J. Fox, trading as M. J. Fox & Co.; International Leather Goods Co.; Gitlin Bros. & Rush Co.; Geffen-Weene Bag Co.; Elite Leather Goods Co.; Crescent Leather Goods Co.; Max Brill & Sons, Inc.; Sol Mutterperl, Inc.; Hudson Leather Goods Co., Inc.; The Meeker Company, Uneeda Leather Goods Supply Mfg. Co., Inc.; Licht & Kaplan; The Phoenix Leather Goods Co., Inc.; Royal Leather Goods; Christo J. Scumniotalen, trading as Phoenix Novelty Co.; Petite Handbag Co.; Hamilton Leather Goods Co.; Goldberg Bros. Handbag Co.; Katz Leather Goods Co.; R. & K. Leather Goods Co.; Paragon Novelty Bag Co.; George Meyers, Samuel Meyers and Henry Meyers, trading as Meyers Manufacturing Co.; Resnick Bros. Ladies' Handbags; Springfield Ladies' Handbag Com-

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pany; Harlie Bag Co.; Strand Leather Goods Co., Inc.; Classy Leather Goods, Corp., Charles Burstein & Bros., Inc.; Landis Leather Goods, Inc.; Joseph Forst, trading as Forst Co.; Goldsmith Bros. Manufacturing Co., trading as Lucky Styles Co.; Goldberg & Seltzer, Inc.; Ryan Cushing Co.; Mrs. Ruel Pierce, trading as Dyer Manufacturing Co.; Julius Herz and Jack M. Kory, partners, trading as Herz & Kory; Capital Leather Goods Co.

PAR. 2. Of the said respondent members, the following are corporations respectively organized, existing, and doing business under and by virtue of the laws of the following named States with their respective principal office and place of business in the following designated cities:

Name of corporation	State of incorporation	Location of principal office
Aarenau & Wolf, Inc.	New York	New York, N. Y.
H. Margolin & Co.	New York	Fitchburg, Mass.
Morris White Mfg. Corp., Inc.	New York	New York, N. Y.
Style Craft Leather Goods Co. (subsidiary of Morris White Mfg. Co., Inc.)	Connecticut	Bridgeport, Conn.
Beacon Leather Goods, Inc.	New York	Bridgeport, Conn.
Paragon Bag Co., Inc.	Pennsylvania	Schwenksville, Pa.
Nu Moda Bag Co.	Connecticut	South Norwalk, Conn.
Ingber Co.	Pennsylvania	Philadelphia, Pa.
M. J. Fox, trading as M. J. Fox & Co.	Baltimore, Md.	Baltimore, Md.
International Leather Goods Co.	Pennsylvania	Philadelphia, Pa.
Gitlin Bros. & Rush	Pennsylvania	Philadelphia, Pa.
Geffen-Weena Bag Co.	Massachusetts	Philadelphia, Pa.
Elite Leather Goods Co.	Massachusetts	Boston, Mass.
Crescent Leather Goods Co.	Massachusetts	Boston, Mass.
Max Brill & Sons, Inc.	Rhode Island	Providence, R. I.
Bol Mutterperl, Inc.	New York	Pittsfield, Mass.
Hudson Leather Goods Co., Inc.	New York	New Bedford, Mass.
The Meeker Co.	New York	New York, N. Y.
Unesda Leather Goods Supply Mfg. Co., Inc.	Missouri	New York, N. Y.
Licht & Kaplan	Missouri	Joplin, Mo.
The Phoenix Leather Goods Co., Inc.	New York	New York, N. Y.
Royal Leather Goods	New York	Newburgh, N. Y.
Christo J. Scumniotalen, trading as Phoenix Novelty Co.	New York	New York, N. Y.
Petite Handbag Co.	New Jersey	Newark, N. J.
Hamilton Leather Goods Co.	Haverhill, Mass.	Haverhill, Mass.
Goldberg Bros. Handbag Co.	New Brunswick, N. J.	New Brunswick, N. J.
Katz Leather Goods Co.	Pennsylvania	Boyetown, Pa.
R. & K. Leather Goods Co.	New York	New York, N. Y.
Paragon Novelty Bag Co.	New York	New York, N. Y.
Resnick Bros. Ladies' Handbags	New York	New York, N. Y.
Harlie Bag Co.	New York	New York, N. Y.
Strand Leather Goods Co., Inc.	Connecticut	New York, N. Y.
Classy Leather Goods Corp.	New York	New York, N. Y.
Charles Burstein & Bros., Inc.	New York	New York, N. Y.
Landis Leather Goods, Inc.	New York	New York, N. Y.
Goldsmith Bros. Manufacturing Co., trading as Lucky Styles Co.	New York	Perth Amboy, N. J.
Goldberg & Seltzer, Inc.	New York	New York, N. Y.
Ryan Cushing Co.	New York	Poughkeepsie, N. Y.
Capital Leather Goods Co.	Massachusetts	Boston, Mass.
	New York	New York, N. Y.

PAR. 3. Respondent, Christo J. Scumniotalen, is an individual doing business at Haverhill, Mass., under the trade name Phoenix Novelty Co. Respondents George Meyers, Henry Meyers and Samuel Meyers are copartners trading in New York City, State of New York, as Meyers Manufacturing Co. Respondent M. J. Fox is an

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individual doing business in Baltimore, in the State of Maryland, as M. J. Fox & Co. Respondent Mrs. Ruel Pierce, is an individual engaged in business at Lewiston, Me., under the trade name Dyer Manufacturing Co. Respondents Julius Herz and Jack M. Kory are copartners trading in New York City, State of New York, as Herz & Kory.

PAR. 4. The aforesaid respondent members named in paragraphs 1, 2, and 3 hereof are now and for more than two years last past have been engaged in the business of manufacturing at their respective places of business ladies' imitation leather handbags generally designated as "one dollar handbags" and in the sale thereof throughout the various States of the United States and in the District of Columbia; in the course and conduct of their businesses, all the said respondent members for more than two years last past have caused and still cause such handbags when sold by them, to be transported in interstate commerce from their respective places of business to, into and through various States of the United States other than the States in which they respectively have their factories and places of business, to the purchasers thereof in such other States to whom such handbags are and have been sold and there is now and has been for more than two years last past a constant current of trade and commerce in such handbags by the said respondent members. Substantially all of such purchasers are retailers, who resell such handbags to the purchasing public. The amount of imitation leather handbags known, as hereinbefore stated as "one dollar handbags" manufactured by the said respondent members now constitutes and for more than two years last past has constituted at least 90 percent of all of that class of handbags sold in the United States.

PAR. 5. In May 1934 or thereabouts, the said respondent members named in paragraphs 1, 2, and 3 hereof for the purpose of eliminating price competition among themselves, entered into, have since carried out, and are still carrying out an agreement, combination, understanding, and conspiracy among themselves entered into through and by means of said respondent, National Association of Ladies' Handbag Manufacturers, its aforesaid officers and its aforesaid executive committee to fix and maintain, and by which they have fixed and maintained and still fix and maintain uniform prices to be exacted by them from their purchasers of imitation leather handbags known as "one dollar handbags" and to fix and maintain, and by which they have fixed and maintained and still fix and maintain uniform prices to be exacted by their customers in the resale by such customers of such imitation handbags purchased by

such customers from the said respondent members. Pursuant to and for the purpose of carrying out the said agreement, combination, understanding, and conspiracy entered into by the said respondent members among themselves and through the aforesaid National Association of Ladies' Handbag Manufacturers, its aforesaid officers and aforesaid executive committee, the said respondent members among other things have done the following:

(a) By agreement among themselves have fixed and maintained and still fix and maintain uniform prices for imitation leather handbags sold by them and by each of them;

(b) By agreement among themselves have fixed and maintained and still fix and maintain uniform prices to be exacted by retailers of such handbags purchased by them from the said respondent members and resold by such retailers to the purchasing public.

PAR. 6. The aforesaid alleged acts and practices of all the said respondents are all to the prejudice of the public; have a dangerous tendency to and have actually hindered and prevented price competition in the sale between and among the various States of the United States and in the District of Columbia of imitation leather handbags known as "one dollar handbags" and price competition in the resale thereof in the United States of substantially all of the imitation leather ("one dollar") handbags made in the United States and sold therein; have increased the prices paid by retailers of "one dollar handbags" and the prices paid by the purchasing public for the same; have unreasonably restrained interstate commerce in imitation leather ("one dollar") handbags 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

Respondents herein, National Association of Ladies' Handbag Manufacturers (hereinafter referred to as respondent Association) its officers and agents (hereinafter referred to as respondent officers and agents) as follows:

Abraham C. Fisher, director and general manager; Ira Rosenzweig, president; Morris Aarenau, vice president; Henry Meyers, treasurer; and Ethel Nagel, secretary.

The following members of the executive committee of respondent association (hereinafter referred to as respondent executive committee):

Jack Margolin, Jerry Goldberg, Aaron Landis, George Meyers, Joseph Rudolph, Hyman Burstein, Samuel R. Goldsmith, Jimmy Goldberg and Joseph Malino; and its following members (hereinafter referred to as respondent members):

Aarenau & Wolf, Inc., H. Margolin & Co., Beacon Leather Goods, Inc., Nu Mode Bag Co., Crescent Leather Goods Co., Max Brill & Sons, Inc., Royal Leather Goods, Goldberg Bros Handbag Co., R. & K. Leather Goods Co., Paragon Novelty Bag Co., George Meyers, Samuel Meyers and Henry Meyers, trading as Meyers Manufacturing Co., Harlic Bag Co., Strand Leather Goods Co., Inc., Classy Leather Goods Corp., Charles Burstein & Bro. Inc., Landis Leather Goods Inc., Goldsmith Bros. Manufacturing Co., trading as Lucky Styles Co., Goldberg & Seltzer Inc., Julius Herz and Jack M. Kory, partners trading as Herz & Kory, and Capitol Leather Goods Co., having filed their answer to the complaint in this proceeding and having subsequently filed with this Commission their motion, that they be permitted to withdraw their said answer and that they be permitted to file in lieu thereof, as a substituted answer, the draft of proposed substituted answer annexed to the said motion; and the Commission having duly considered the said motion,

It is hereby ordered, That the said motion be and the same is hereby granted; that the said answer be and the same is hereby withdrawn; and that the said proposed substituted answer be, and the same is hereby filed in lieu of the said answer so withdrawn.

And the said respondents, in and by their said substituted answer, have waived hearing on the charges set forth in the complaint in this proceeding, and having stated in their said substituted answer that they do not contest the proceeding, and having consented in the said substituted answer that the Commission, without trial, without evidence, and without findings as to the facts or other intervening proceedings, might make, enter, issue, and serve upon the said respondents, an order to cease and desist from the methods of competition charged in the complaint; and the Commission, being fully advised in the premises—

It is hereby further ordered, That respondent members, their respective officers, agents, servants and employees forthwith cease and desist:

1. From carrying out an agreement, combination, understanding, and conspiracy entered into among themselves in May 1934 or thereabouts, by and through respondent association, respondent officers and agents and respondent executive committee, to fix and maintain, and by which they have fixed and maintained uniform

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prices to be exacted by them from purchasers from them in interstate commerce of imitation ladies handbags. .

2. From carrying out an agreement, combination, understanding, and conspiracy among themselves, entered into in May 1934 or thereabouts by and through said respondent association, respondent officers and agents, and respondent executive committee, to fix and maintain uniform prices to be exacted by retailers of handbags purchased by such retailers in interstate commerce from the said respondents, or from any of them or from any other person, firm, partnership or corporation and resold by such retailers to the purchasing public.

3. From entering into and/or carrying out any other agreement, combination, understanding, and conspiracy among themselves or by any of them with any other of them; or with any other manufacturer of ladies handbags to fix and/or maintain uniform prices for imitation leather handbags sold by them or by any of them, or by any other person, firm, partnership or corporation in interstate commerce.

4. From entering into and/or carrying out any other agreement, combination, understanding, and conspiracy among themselves or by any of them with any other of them, or with any other person, firm, partnership, or corporation to fix and/or maintain uniform prices to be exacted by retailers of imitation leather handbags purchased by such retailers in interstate commerce from the said respondents, or from any of them, or from any other person, firm, partnership, and/or corporation, and resold by such retailers to the purchasing public.

And it is hereby further ordered, That respondent association, respondent officers and agents and respondent executive committee and each of them, forthwith cease and desist from assisting the aforesaid respondent members in entering into and carrying out the agreements, combinations, understandings, and conspiracies from which said respondent members are hereby ordered to cease and desist, and from being the means or instrumentality by and through which such, or any similar agreements, combinations, understandings and conspiracies are entered into.

And it is hereby further ordered, That the said respondent association, the said respondent officers and agents, the said respondent executive committee, and the said respondent members, shall within 30 days from the date of service upon it of this order, file with this Commission a report in writing setting forth the manner in which they shall have complied with this order.

ORDER DISMISSING COMPLAINT AS TO CERTAIN RESPONDENTS

This matter coming on to be heard on the complaint of the Commission, the answer of the respondents hereinafter named; and this Commission having this day entered and served its order to cease and desist upon all the other respondents in this proceeding, compliance with which said order to cease and desist will in the opinion of this Commission terminate and dissolve the conspiracies, combinations, agreements, and understandings described in the complaint in this proceeding, and will prevent any such conspiracy, understanding, agreement or understanding in the future; and the Commission being fully advised in the premises—

Now, therefore, it is hereby ordered, That the complaint in this proceeding be, and the same is hereby, dismissed as to the following named respondents:

David A. Ingerber,	Unceda Leather Goods Supply Mfg. Co.,
Murray Resnick,	Inc.,
Morris White Manufacturing Co., Inc.,	Licht & Kaplan,
Style Craft Leather Goods Co.,	The Phoenix Leather Goods Co., Inc.,
Paragon Bag Co., Inc.,	Christo J. Scumnotalen, trading as
Ingber Co.,	Phoenix Novelty Co.,
M. J. Fox, trading as M. J. Fox & Co.,	Petite Handbag Co.,
International Leather Goods Co.,	Hamilton Leather Goods Co.,
Gitlin Bros. & Rush Co.,	Katz Leather Goods Co.,
Geffen-Weene Bag Co.,	Resnick Bros. Ladies' Handbag,
Elite Leather Goods Co.,	Springfield Ladies' Handbag Company,
Sol Mutterperl, Inc.,	Joseph Forst, trading as Forst Co.,
Hudson Leather Goods Co., Inc.,	Ryan Cushing Co.,
The Meeker Company,	Mrs. Ruel Pierce, trading as Dyer Man-
	ufacturing Co.

IN THE MATTER OF
THE BRIARWOOD CORPORATION

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

Docket 2255. Complaint, Dec. 4, 1934—Decision, Feb. 20, 1935

Where a corporation engaged under a name including the word "Briarwood" in the manufacture and sale of pipes made of ground briar root and binder, molded under pressure into various shapes, and sold under the name "Berbriar", and other designations—

Employed such words and phrases in its advertisements, letterheads, billheads and other trade literature circulated among customers and prospective customers, in referring to and describing said pipes and soliciting the sale thereof, as "made from genuine imported Briar Root, Briar Kob", "molded from genuine imported briar root by an entirely new process", and ascribed said pipe's smoking quality to "molding the genuine imported briar root in such a way as to keep the pores open";

With capacity and tendency through said incorrect, exaggerated, and misleading statements to deceive and mislead purchasers and prospective purchasers of said article into the belief that they were made from natural grown briar root, carved or fashioned from the solid block:

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.

Mr. Astor Hogg for the Commission.

Mr. William H. Rosenfeld, of Cleveland, Ohio, 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 Briarwood Corporation has been and 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. The respondent, the Briarwood Corporation, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Ohio, with its factory and principal place of business in Cleveland, in the State of Ohio. It is now and has been for more than one year past engaged in the manufacture of smoking pipes and in the sale and distribution of such smoking