

be ascertained by the ultimate purchaser until a selection or purchase has been made and the box broken open. The said candy is thus sold by means of a lottery or gift enterprise.

H. I. Sifers, individually and trading as Sifers Confection Co.
Docket 2276. Complaint, January 2, 1935. Decision, June 25, 1935.

PARAGRAPH 1. Respondent, H. I. Sifers is an individual doing business under the trade name Sifers Confection Company and has his principal office and place of business in the city of Kansas City, State of Missouri. Respondent is now and for several years last past has been engaged in the manufacture of candy in Kansas City, Missouri, and in the sale and distribution of said candy to wholesale dealers and jobbers in the State of Missouri and in other States of the United States. He causes said candy when sold to be shipped and transported from his principal place of business in the State of Missouri to purchasers thereof in Missouri and in the states of the United States other than the State of Missouri. In so carrying on said business, respondent is and has been engaged in interstate commerce and is and has been in active competition with other individuals and with corporations and partnerships engaged in the manufacture of candy and in the sale and distribution of same in interstate commerce.

PAR. 2. Among the candies which respondent manufactures, sells and distributes are several assortments of candy, each of which is composed of a number of bars of candy together with a box of candy and device commonly referred to as a push card or punch board containing a definite number of pushes or punches. The candy contained in said assortments is sold or distributed in the following manner:

The push card or punch board is a piece of paper board having a definite number of partially perforated discs and concealed within each disc is a number. These numbers correspond to the number of discs there are on the board but they are not arranged consecutively. Such numbers are so concealed that they cannot be ascertained until a push or selection has been made and the disc separated from the board. The push cards or punch boards bear legends giving prospective customers information as to which numbers concealed on the board entitled the customer to one bar of candy and which numbers entitle the customer to more than one bar of candy and the number of such bars. The last push or punch on a board entitles the customer to receive the box of candy contained in said assortments. The sales are five cents each and purchasers procuring a number calling for one of the bars of candy received the same and purchasers receiving a number calling for more than one bar of candy are entitled

to receive such bars without payment of additional money. The fact as to whether a purchaser obtains one or several of the bars of candy for the purchase price of five cents is thus determined wholly by lot or chance.

Respondent distributes numerous assortments which involve the same principle or sales plan in the sale and distribution to the consuming public of said assortments. These assortments are described by respondent by various trade names and one of such assortments is Sifers Valomilk Dips. The push card or punch board for said assortment bears the following legend:

Number 13 Receives FOUR 5¢ VALOMILK DIPS	} 5¢ per sale
Number 23 Receives THREE 5¢ VALOMILK DIPS	
Numbers 5-10-20-25-30-40-50-60 each receive TWO 5¢ VALOMILK DIPS	

All other numbers receive a 5¢ VALOMILK DIP except the last number pushed which receives LARGE BOX HARRY SIFERS HAND ROLLED CHOCOLATES.

Notice to State, County, and City Officials: THIS IS NOT A GAMBLING DEVICE but an Advertising Medium. The Punches in this advertisement are sold for 5¢ each and will be accepted by the merchant for a Sifers 5¢ Valomilk Dip. Some numbers will receive extra Valomilk Dips. The last number punched will receive a Box of Harry Sifers Hand Rolled Chocolates.

The fact as to whether a purchaser obtains one, two, three or four bars of candy for the purchase price of five cents is thus determined wholly by lot or chance in the same manner as above described.

Queen Anne Candy Co. Docket 2277. Complaint, January 3, 1935. Decision, June 25, 1935.

PARAGRAPH 1. Respondent, Queen Anne Candy Company, is a corporation organized under the laws of the State of Indiana with its principal office and place of business in the city of Hammond, Ind. Respondent is now and for several years last past has been engaged in the manufacture of candy in Hammond, Ind., and in the sale and distribution of said candy to wholesale dealers and jobbers in the State of Indiana and other States of the United States. It causes said candy when sold to be shipped and transported from its principal place of business in the State of Indiana to purchasers thereof in Indiana and in the States of the United States other than the State of Indiana. In so carrying on said business, respondent is and has been engaged in interstate commerce and is and has been in active competition with other corporations and with partnerships and individuals engaged in the manufacture of candy and in the sale and distribution of the same in interstate commerce.

PAR. 2. Among the candies manufactured and sold by respondent are several assortments of candy, each composed of a number of pieces of candy of uniform size, shape and quality, together with a number of larger pieces of candy to be given as prizes to purchasers of said candies of uniform size, shape and quality:

The majority of said pieces of candy of uniform size, shape, and quality in said assortments have centers of the same color but a small number of said candies have centers of a different color. The color of the centers of these candies is effectively concealed from the prospective purchasers until a purchase or selection has been made and the candy broken open. The said candies of uniform size, shape, and quality in said assortments retail at one cent each but the purchasers who procure one of the said candies having a center of a different color than the majority of said candies, are entitled to receive and are to be given free of charge one of the said larger pieces of candy heretofore referred to. The aforesaid purchasers of said candy who procure a candy having a center colored differently from the majority of said pieces of candy thus procure one of the said larger pieces of candy wholly by lot or chance.

The respondent manufactures, sells, and distributes several assortments involving the above lottery or chance feature. The pieces of candy of uniform size, shape, and quality are generally 150 in number but occasionally vary a few pieces more or a few pieces less, and the larger pieces of candy also vary in number in the several assortments, but the principle or sales plan is the same as to each of the said assortments.

PAR. 3. Respondent also manufactures, sells, and distributes several assortments of candy, each of which is composed of a number of bars of candy together with a number of packages of candy and a device commonly referred to as a "push card" or "punch board", containing a definite number of "pushes" or "punches". The candy contained in said assortments is sold or distributed in the following manner:

The push card or punch board is a piece of paper board having a definite number of partially perforated disks, and concealed in each disk is a legend. Such legends are so concealed that they cannot be ascertained until a push or selection has been made and the disk separated from the board. The push cards or punch boards bear legends on the front thereof, giving prospective customers information as to which legends on the disks concealed on the board receive bars of candy and how many, and which receive the small packages of candy. It is usual for the last punch on a board to receive a prize in addition to the merchandise called for by the legend on the disk.

Sales are five cents each and purchasers procuring a legend calling for one bar of candy receive the same, and purchasers receiving a legend calling for more than one bar of candy or for one of the small packages of candy receive the same without payment of additional money. The fact as to whether a purchaser obtains one bar of candy or several bars or one of the small packages of candy for the purchase price of five cents, is thus determined wholly by lot or chance.

Respondent distributes numerous assortments which involve the same principle or sales plan in the sale and distribution to the consuming public of said assortments, and these assortments are composed of different types of candy and some of them have numbers on the push cards or punch boards instead of legends, and on some of the boards the purchasers who procure numbers or legends which do not call for a prize receive nothing but the privilege of pushing or punching the number from the board for his money, while other purchasers receive bars or packages of candy of varying value for their purchase. These assortments are described by respondent by various trade names. One of such assortments is "Assortment No. 126" which respondent describes as "Football". The push card or punch board in said assortment bears the following legends:

ASSORTMENT NO. 126

5¢ per sale	FOOTBALL	5¢ per sale
All winners		No blanks
Touchdown.....	Receives 1 fancy package	
Field Goal.....	Receives 1 fancy package	
Safety.....	Receives 3 bars	
Forw'd Pass.....	Receives 2 bars	
End Run.....	Receives 1 bar	
Fumble.....	Receives 1 bar	
Tackle.....	Receives 1 bar	

Last punch on card receives a fancy package

Notice: This is not a Gambling device. Every punch receives full value. Extra awards for advertising.

The fact as to whether a purchaser receives a fancy package, 3 bars of candy, 2 bars of candy, or 1 bar of candy for the purchase price of 5 cents is thus determined wholly by lot or chance in the same manner as described above.

PAR. 4. Another assortment which respondent manufactures, sells and distributes is contained within two boxes, one box having pieces of candy of uniform size, shape and quality, the majority of which have centers of the same color but a small number of which have centers of a different color. The other box contains larger pieces or

bars of candy and the number of bars is approximately the same as there are pieces of candy with centers colored differently from the majority in the first box above mentioned and the two boxes are so packed that they may be displayed by the retail dealers as a single assortment and the larger pieces or bars of candy are distributed as prizes to purchasers of the smaller pieces of candy in the same manner as where they are packed in the same assortment and as described in paragraph 2 herein. Larger pieces or bars of candy are thus distributed to the purchasing public wholly by lot or chance and the respondent in so packing said assortment knows that the same may and will be used as a lottery or chance assortment when sold by the retail dealer.

Magic City Candy Co. Docket 2280. Complaint, January 9, 1935. Decision, June 25, 1935.¹

PARAGRAPH 1. Respondent, Magic City Candy Company, is a corporation organized under the laws of the State of Alabama with its principal office and place of business located in the city of Birmingham, Ala. Respondent is now and for several years last past has been engaged in the manufacture of candy in Birmingham, Ala., and in the sale and distribution of said candy to wholesale dealers and jobbers in the State of Alabama and other States of the United States. It causes said candy when sold to be shipped or transported from its principal place of business in the State of Alabama to purchasers thereof in Alabama and in the States of the United States other than the State of Alabama. In carrying on said business, respondent is and has been engaged in interstate commerce and is and has been in active competition with other corporations and with partnerships and individuals engaged in the manufacture of candy and in the sale and distribution of the same in interstate commerce.

PAR. 2. Among the candies manufactured and sold by the respondent was an assortment of candy consisting of 48 candy bars of uniform quality, size and shape. Each of said candy bars was contained within a wrapper and within each of said wrappers was a slip of paper which had printed thereon certain legends. These legends were that the bar was free or that the retail price of the bar was 1 cent or 2 cents or 3 cents, and these were the prices or the conditions on which said bar of candy was sold to the consumer. The said printed slips were effectively concealed from the prospective purchaser until a selection had been made and the wrapper removed. The ultimate consumers thus procured bars of candy of uniform quality, size and shape

¹ In addition to the paragraphs above set forth, findings also contain a paragraph to effect that respondent discontinued manufacture, distribution and sale of lottery assortments described at or about time complaint issued, though subsequent to beginning of Commission's investigation.

Memoranda

21 F. T. C.

free of charge or at a price of 1 cent, 2 cents or 3 cents, the same being determined wholly by lot or chance.

The respondent enclosed with each of said assortments a display card for use by the retail dealer, which display card bore legends or statements informing the purchasing public that the said assortment was being sold in accordance with the sales plan above described.

PAR. 3. Another assortment manufactured, sold and distributed by respondent was composed of a number of small pieces of candy together with a number of larger pieces of candy and a small package of candy, and also a device commonly referred to as a push card or punch board containing a definite number of pushes or punches. The candy contained in said assortment was sold or distributed in the following manner:

The push card or punch board is a piece of paper board having a definite number of partially perforated discs (in this instance, 150) and concealed within each disc is a number. These numbers correspond to the number of discs there are on the board but they are not arranged consecutively. Such numbers are so concealed that they cannot be ascertained until a selection has been made and the disc separated from the board. The push card or punch board bears legends giving prospective customers information as to which numbers concealed on the board receive one of the small pieces of candy and which numbers receive one of the larger pieces of candy. The last push or punch receives the small package of candy. Sales are 1 cent each and purchasers procuring a number calling for one of the small pieces of candy receive the same and purchasers receiving a number calling for one of the larger pieces of candy receive the same without payment of additional money. The fact as to whether a purchaser obtains one of the small pieces of candy or one of the larger pieces of candy for the purchase price of 1 cent is thus determined wholly by lot or chance.

The legends on the push card or punch board furnished with the above described assortment are as follows:

No blanks!

1 cent Sale

Nos. 1 to 120, Inclusive, receive one chocolate bite.

Nos. 121 to 150, Inclusive, receive an advertising bar.

Last sale receives

THE ASSORTED BOX

PAR. 4. Another assortment distributed by respondent was composed of a number of candy bars together with a device commonly referred to as a pull card. The candy contained in said assortment was sold or distributed in the following manner:

The pull card is a piece of paper board having a number of gummed discs partially pasted thereon, and under each of these partially pasted discs is a printed slip bearing a legend. The legends on said printed slips vary. The said pull card has printed at the top thereof information as to the number of candy bars to which the customer is entitled for the particular legend procured. Sales are 5 cents each and all purchasers receive one bar of candy, but the purchaser obtaining certain legends receives two candy bars, some four candy bars and some ten candy bars, depending upon the legend on the printed slip. The pull card with this assortment has the following information printed at the top thereof (Commission's Exhibit No. 5):

Pla-Ball Featuring	Candy Card
: :	5¢ a bat
Candy bars	

Home Run receives.....	10 candy bars
Three Base Hit receives.....	4 candy bars
Two Base Hit receives.....	4 candy bars
One Base Hit receives.....	2 candy bars
Base on Balls receives.....	1 candy bar
Strike out receives.....	1 candy bar
Foul Ball receives.....	1 candy bar
Last Play receives.....	10 candy bars

EVERY TICKET A WINNER

The fact as to whether a purchaser received one candy bar, two candy bars, four candy bars, or ten candy bars for the purchase price of 5 cents was thus determined wholly by lot or chance.

The appearances in the preceding four cases, before *Mr. Robert S. Hall*, trial examiner, were as follows:

Mr. Henry C. Lank for the Commission.

Overton & Cervin of Dallas, Tex., for Southern Premium Manufacturing Co.; *Beach, Fatchild & Scofield* of Chicago, Ill., for Sifers Confection Co. and Queen Anne Candy Co., and *Mr. Ben Davis* of Birmingham, Ala., for Magic City Candy Co.

Complaint

21 F. T. C.

IN THE MATTER OF

UNIVERSAL PARTS MFG. CORPORATION

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

Docket 2369. Complaint, Apr. 18, 1935—Order, June 26, 1935

Ordered, respondent waiving testimony or hearing, and submitting proceeding to Commission, on complaint, answer, and amended answer, that said respondent, in connection with the sale and distribution in interstate commerce of automobile replacement parts and accessories, do cease and desist from directly or indirectly using or causing to be used the word "Manufacturing" or the abbreviation "Mfg." in connection or in conjunction with any word or words or in any way as a trade name or designation for its products or for the products of others or in advertising said products or in any way which may have the capacity and tendency to confuse, mislead or deceive purchasers into the belief that said products are made or manufactured by said respondent, when such is not the fact.

Mr. John W. Hildrop for the Commission.

Butler, Pope, Ballard & Elting, of Chicago, Ill., 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 Universal Parts Mfg. Corporation, a corporation, hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to the 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. Universal Parts Mfg. Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its principal place of business located at Chicago in the State of Illinois, and is now and for more than one year last past has been engaged in the sale of automobile replacement parts and accessories, and in the distribution of said products in commerce between and among various States of the United States; causing said products, when sold, to be shipped from its place of business in the State of Illinois to purchasers thereof located in various of the States of the United States of America other than the State of Illinois. In the course and conduct of its business aforesaid, respondent, Universal Parts Mfg. Corporation has been