

Syllabus

IN THE MATTER OF

KING TRADING CORPORATION ET AL.

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

Docket 2655. Complaint, Sept. 14, 1936¹—Decision, Apr. 28, 1937

Where the names, letters, and symbols "Marconi," "Victor," "R. C. A.," "Edison," "Bell," and representation of a bell, "Majestic," "Brunswick," and the letters "G. E." in a circle with scroll-like interior decorations, as names and designations of well-known and long-established individuals, companies, and corporations, and long used and extensively advertised by the various owners thereof, had come to be known and identified with the radio sets, radio parts, and like products of said owners, and constituted their standard brands and symbols when used as company, corporate and trade names, and, as well-known marks and brands on such products thus identified, had a fixed and stable value in the trade and industry generally, throughout the United States and foreign countries, upon which well-known brands, etc., purchasing public relied when thus used on radio sets, etc., and in said industries, as indicating high standard, reliable and genuine products, and use of such names, letters, and symbols influenced purchase thereof and increased sales, and said names, letters, and symbols, thus attached, had value to the thousands of dealers engaged in the sale and distribution of such standard brand products, and were valuable to the owners thereof, who had used and used and employed the same in commerce; and thereafter

- (1) Two corporations and three individuals, officers and agents thereof, engaged in manufacture of escutcheons and name plates upon which they etched or stamped names, marks, brands, and symbols for use on radio sets and radio parts, and in sale thereof to manufacturers and dealers in such products;
- (2) Two corporations and three individuals, in their individual capacity and as agents of said corporations, engaged in manufacture, assembly, and sale of radio sets upon which they placed and caused to be placed escutcheons and name plates purchased from the hereinabove described manufacturers and sellers thereof; and
- (3) Four corporations and two individuals engaged in sale and distribution of such products purchased from the hereinbefore described concerns and individuals and upon which there were affixed, as above set forth, escutcheons and name plates with names, marks, brands, and symbols etched or stamped thereon to designate the names, etc., of the makers and brand names of the said products; in furtherance of a scheme engaged in by such various manufacturers and dealers to deceive the public and compete unfairly with other manufacturers and dealers in such sets and parts, and escutcheons and name plates, through affixing such articles, bearing names, marks, brands and symbols of corporations and individuals well known and long established in the radio and similar industries, and

¹ Amended and supplemental.

without the authority or consent of the legal owners and users of such various names, etc., respectively, and as the case might be—

- (a) Sold, distributed, and furnished name plates and escutcheons for radio sets and similar products, bearing names, letters and symbols "Marconi," "Edison," "Bell," "Victor," "Majestic," "Brunswick," "R. C. A.," and "G. E." and colorable imitations or simulations thereof, to manufacturers and assemblers of and dealers in such products as hereinbefore described, and without consent of the lawful owners or licensees of such various names, etc.; and
- (b) Represented, through use of such names, marks, letters, or symbols, and such colorable simulations and imitations thereof as "Marconi-International," "Marconi Radio Corporation," "Edison-International," "Edison-Bell" with representation of a bell, "Edison Radio Stores, Inc.," "Victor International," "Majestic International," "Brunswick," letters "R. C. I.," "R. S. A.," and "E. B.," and without the permission of the lawful owners thereof, that the radio sets, parts and like devices, appliances or products made or assembled for or by, and sold by, said various corporate and individual manufacturers of and dealers in such said parts, etc., were made, assembled, sponsored, endorsed, and approved, or licensed by Thomas A. Edison or Thomas A. Edison, Inc., American Telephone & Telegraph Co., Western Electric Co., Marconi Wireless Telegraph Corporation of America, Radio Corporation of America, Victor Talking Machine Company, Brunswick-Balke-Collender Company, Warner Brothers Pictures, Inc., Brunswick Radio Corporation, Grigsby-Grumow Company, Majestic Radio & Television Corporation, or General Electric Company, or by the agents, representatives, successors, or assigns of such various individuals and concerns;

With result that public was led to believe that products thus sold and marked and identified were those of the said well known respective companies or interests hereinabove set forth, and there was an appropriation by said manufacturers of escutcheons and name plates, and manufacturers and assemblers of and dealers in sets and parts as hereinbefore set forth, of the good will of the respective competitor companies and interests hereinbefore referred to, and an unfair diversion of business from such competitor companies to such name plate manufacturers, etc., and also such unfair diversion of business from other competitors who do not resort to such practice, and with the result, by reason of such wholly unauthorized use of names, brands, etc., of giving to the goods of aforesaid manufacturers, assemblers and dealers a salability which they would not otherwise have, and of giving to such manufacturers, etc., an advantage over their competitors who do not similarly misrepresent the true origin of their goods and conceal the same under a reputable but false source, and of deceiving the public buying products of said manufacturers, etc., into the false belief that such products originated with well known and reputable concerns, and with the further result of placing in the hands of others, to whom said products thus marked were sold, means whereby injury might be and was done to competitors dealing in the genuine, honestly marked goods:

Held, That such acts and practices were to the prejudice of the public and competitors and constituted unfair methods of competition.

Before *Mr. William C. Reeves*, trial examiner.

Mr. Carrel F. Rhodes and *Mr. John L. Hornor* for the Commission.

Mr. Charles Green, of Philadelphia, Pa., for Harvard Radio Tube Testing Stations of Pa., Inc., and *Julius M. Schoenberg*.

McQuiston & Malcolm, of New York City, for Metal Etching Corp. and M. Herman.

Mr. Herman Goldman, of New York City, for Premier Metal Etching Co. and its officers, directors and agents thereof.

Fuller, Brown, Hubbard & Felt of Utica, N. Y., for American Emblem Co. and its officers, directors, and agents thereof.

AMENDED AND SUPPLEMENTAL 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 King Trading Corporation, Royal Radio Company, Inc., Metro Manufacturing Company, Inc., Metro Radio Corporation, Metro Sales Company, Inc., Pyramid Distributors, Inc.; and Murray Auerbach, Regina Gadol, George Levine, A. M. Frank, Max Scafford, and David Morrison individually, and as officers, directors, and agents of said several corporations; and Harvard Radio Tube Testing Stations of Pa., Inc., and Julius M. Schoenberg individually, and as president, director, and agent of said corporation; Ross Distributing Co., and Larry B. Ross individually, and as president, director, and agent of said corporation; Sun Radio and Service Supply Corporation, and Emanuel Rosensweig individually, and as president, director, and agent of said corporation; Schiller Brothers, Inc., and Louis S. Schiller individually, and as president, director, and agent of said corporation; Peter Robbins individually, and trading under the names Robbins Radio Company and Ambassador Radio Company; F. C. Scruggs individually, and trading under the name Call Radio Company; Metal Etching Corporation, and M. Hermann individually, and as president, director, and agent of said corporation; Etched Products Corporation, and Albert Nierenberg and Walter H. Miller individually, and as officers, directors, and agents of said corporation; Electro Chemical & Engraving Company, and F. E. Switzer, N. L. Jacobus, Robert Schlesinger, Julius Erdoes and L. S. Southwick individually, and as officers, directors, and agents of said corporation; Premier Metal Etching Company, and Herbert Pape, Carl J. Johnson, Ernest A. Rottach and Hugo Lehrfeld individually, and as officers, directors, and agents of said corporation; Crowe Nameplate and Manufacturing Company, and E. C. Coolidge and I. Robinson Smith individually, and as officers, directors, and agents of said corporation; American Emblem Company, and Paul B. Williams, Clarence S. C. Williams, James Eels, Fred B. King, and Edgar Denton, Jr. individually, and

Complaint

24 F. T. C.

as officers, directors, and agents of said corporation have been and now 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 amended and supplemental complaint stating its charges in that respect as follows:

PARAGRAPH 1. (a) Respondents King Trading Corporation, Royal Radio Company, Inc., Metro Manufacturing Company, Inc., Metro Radio Corporation, Metro Sales Company, Inc., and Pyramid Distributors, Inc., are corporations organized, existing, and doing business under and by virtue of the laws of the State of New York with their principal places of business at 51 Vesey Street, 168 Washington Street, 142 Liberty Street, 217 West 125th Street, and 122 Cypress Street in the city of New York in said State. The officers, directors, and agents of said companies who have participated in the practices herein alleged during all or part of the time here involved, are the following: Murray Auerbach, Regina Gadol, George Levine, A. M. Frank, Max Scafford, and David Morrison.

The said respondent corporations and the said respondent individuals individually, and as officers, directors, and agents of said corporations are, and have been for more than six years last past, engaged in manufacturing, assembling and selling radio sets, radio tubes, and like products. The business carried on by said respondent corporations and said respondent individuals is namely that of manufacturing and assembling radio sets, radio tubes, and like products and selling said products to dealers and the purchasing public, the profits from which enure to said individuals. Said respondents manufacture, sell and ship said radio sets, radio tubes, and like products to dealers and buyers among the purchasing public throughout the United States, and in the District of Columbia, and foreign countries in interstate and foreign commerce.

Other individuals, partnerships, and corporations who have been, and now are, involved in the subject matter of this complaint, are the following:

(b) Respondent Harvard Radio Tube Testing Stations of Pennsylvania, Inc., a corporation organized under and by virtue of the laws of the State of Pennsylvania, domiciled and doing business at 208 North Broad Street in the city of Philadelphia in said State, and respondent Julius M. Schoenberg an individual, individually and as president, director, and agent of said company.

(c) Respondent Ross Distributing Company, a corporation organized under and by virtue of the laws of the State of Pennsylvania, domiciled and doing business at 2020 Chancellor Street in

1101

Complaint

the city of Philadelphia in said State, and respondent Larry B. Ross an individual, individually and as president, director, and agent of said company.

(d) Respondent Sun Radio and Service Supply Corporation, a corporation organized under and by virtue of the laws of the District of Columbia, domiciled and doing business at 938 F Street, N. W. in the city of Washington in said District of Columbia, and respondent Emanuel Rosensweig an individual, individually and as president, director, and agent of said company.

(e) Respondent Schiller Brothers, Inc., a corporation organized under and by virtue of the laws of the District of Columbia, domiciled and doing business at 922 F Street, N. W. in the city of Washington in said District of Columbia, and respondent Louis S. Schiller an individual, individually and as president, director, and agent of said company.

(f) Respondent Peter Robbins an individual, individually and trading under the names Robbins Radio Company and Ambassador Radio Company, domiciled and doing business at 940 F Street, N. W. in the city of Washington in the District of Columbia.

(g) Respondent F. C. Scruggs an individual, individually and trading under the name Call Radio Company, domiciled and doing business at 636 H Street, N. E. in the city of Washington, in the District of Columbia.

(h) Respondent Metal Etching Corporation, a corporation organized under and by virtue of the laws of the State of New York, domiciled and doing business at 1001 Essex Street in the city of Brooklyn in said State, and respondent M. Hermann an individual, individually and as president, director, and agent of said company.

(i) Respondent Etched Products Corporation, a corporation organized under and by virtue of the laws of the State of New York, domiciled and doing business at 3901 Queens Boulevard in Long Island City in said State, and respondents Albert Nierenberg, and Walter H. Miller individuals, individually and as officers, directors, and agents of said company.

(j) Respondent Electro Chemical and Engraving Company, a corporation organized under and by virtue of the laws of the State of New York with its principal office and place of business at 1100 Brook Avenue, in the Borough of the Bronx, city of New York in said State, and respondents F. E. Switzer, N. L. Jacobus, Robert Schlesinger, Julius Erdoes, and L. S. Southwick individuals, individually and as officers, directors, and agents of said company.

(k) Respondent Premier Metal Etching Company, a corporation organized under and by virtue of the laws of the State of New York,

Complaint

24 F. T. C.

domiciled and doing business at 2103 44th Avenue in the city of Long Island in said State, and respondents Herbert Pape, Carl J. Johnson, Ernest A. Rottach, and Hugo Lehrfeld individuals, individually and as officers, directors, and agents of said company.

(l) Respondent Crowe Nameplate and Manufacturing Company, a corporation organized under and by virtue of the laws of the State of Illinois, domiciled and doing business at 1749 Grace Street in the city of Chicago in said State, and respondents E. C. Coolidge and I. Robinson Smith, individuals, individually and as officers, directors, and agents of said company.

(m) American Emblem Company a New York corporation with domicile at Rochester, N. Y., and a place of business at 22 East 40th Street in the city of New York in said State, and respondents Paul B. Williams, Clarence S. C. Williams, James Eels, Fred B. King, and Edgar Denton, Jr. (all domiciled in the city of Utica in said State), individuals, individually and as officers, directors, and agents of said corporation.

Said respondents hereinabove described under sub-paragraphs (b), (c), (d), (e), (f), and (g) of paragraph 1 are dealers in radio receiving sets, radio tubes, and like products. Said respondents during the course and conduct of their business sell and ship said radio sets, radio tubes, and like products to the purchasing public in interstate and foreign commerce from their several places of business in Pennsylvania and the District of Columbia through and into other States of the United States, and in the District of Columbia, and foreign countries in interstate and foreign commerce.

Said respondents hereinabove described under sub-paragraphs (h), (i), (j), (k), (l), and (m) of paragraph 1 in the course and conduct of their business manufacture and sell nameplates and escutcheons for use and used upon radio sets to describe or designate the makers or brand names of said products. Said respondents during the course and conduct of their said several businesses, have and do manufacture for sale and sell and ship to respondent King Trading Corporation and the several other respondent corporations, associations, partnerships and individuals designated in paragraph 1 (a), (b), (c), (d), (e), (f), and (g) escutcheons and nameplates to be used and used and sold by said respondents to dealers and others to be used on and in connection with radio sets, radio tubes, and like products as marks or brands to designate the names of the makers and brand names used by makers of said products.

PAR. 2. Respondent King Trading Corporation, and all of the several respondent corporations, associations, partnerships, and individuals described in paragraph 1 (a), (b), (c), (d), (e), (f), and (g) are

now and have been for several years last past engaged in manufacturing, assembling, selling, marketing, and distributing radio sets, radio tubes, and like products and in the course and conduct of their said several businesses respondents have caused and now cause said radio sets, radio tubes, and like products when sold to be transported by them from their several respective places of business into and through the various States of the United States, the District of Columbia and in foreign commerce to the purchasers thereof in such other States, in the District of Columbia and foreign countries in substantial competition with other corporations, partnerships, and persons engaged in the sale and transportation of radio sets, radio tubes, and like products in interstate and foreign commerce.

PAR. 3. For the purpose of selling said radio sets, radio tubes, and like products and to induce the public to buy said products, respondent King Trading Corporation and the several other respondent corporations, associations, partnerships, and individuals set out and described in paragraph 1 (*a*), (*b*), (*c*), (*d*), (*e*), (*f*), (*g*), (*h*), (*i*), (*j*), (*k*), (*l*), and (*m*) cooperating among themselves and together with one another, have been for several years last past and are now, engaged in a scheme to deceive the public and to compete unfairly with other manufacturers and dealers in radio sets, radio tubes, and like products who are in competition with respondents in interstate and foreign commerce. In furtherance of said scheme respondents have adopted, made, used and sold and now make, use, sell and ship in interstate and foreign commerce to distributors, dealers, and others radio sets, radio tubes, and like products, and escutcheons and nameplates (to be used on radio sets, radio tubes, and like products) bearing the names, marks, brands, and symbols of corporations and individuals well-known and long established in the radio and like industries, which names, marks, brands, and symbols were adopted and used and are now being used by respondents and others without authority or consent from the legal owners and users of said names, marks, brands, and symbols.

Among the names, marks, brands, and symbols so made, adopted and used by respondents are the following:

Marconi, Marconi International, Marconi Radio Corporation; Edison, Edison International, Edison-Bell, Edison with a representation of a bell, Edison Radio Stores, Inc.; Bell, Bell with a representation of a bell; Victor, Victor International; Majestic, Majestic International, Majestic Radio Corporation; Brunswick (Brunswick a colorable imitation of the name Brunswick); RCA and (RCI, RSA colorable imitations of the letters RCA); the letters EB (a colorable imitation of the letters GE) standing alone or stamped upon the

Complaint

24 F. T. C.

representation of a bell, and the names Marconi, Edison, Bell, Victor, Majestic, Brunswick or Bronswick standing alone or in conjunction with other words, names, and devices.

Said respondents, set out and described in paragraph 1 (*h*), (*i*), (*j*), (*k*), (*l*), and (*m*), without authority or consent of the legal owners of said names, marks, brands, and symbols make, use, advertise, sell, and ship in interstate and foreign commerce said nameplates and escutcheons so marked and stamped with said well-known and long established names, marks, brands, and symbols as hereinabove set out, and said respondents, King Trading Corporation and the other respondents, set out and described in paragraph 1 (*a*), (*b*), (*c*), (*d*), (*e*), (*f*), and (*g*), advertise said nameplates and escutcheons, and radio sets and like products upon which said nameplates and escutcheons so marked, stamped, and branded with said well-known and long established names, marks, brands, and symbols of others as hereinabove set out, without authority or consent of the owners thereof, in catalogues, newspapers, and other periodicals circulated in interstate and foreign commerce, and sell and ship said nameplates and escutcheons, and radio sets and like products so marked from their respective places of business to purchasers thereof, located in States other than the State of origin of said shipments and in the District of Columbia and foreign countries in interstate and foreign commerce. All of which said acts and things are committed and done in pursuance and as a part of said scheme entered into, agreed upon, and participated in by King Trading Corporation, its officers, directors, and agents and each and all of the respondents hereinabove designated in paragraph 1 (*a*), (*b*), (*c*), (*d*), (*e*), (*f*), (*g*), (*h*), (*i*), (*j*), (*k*), (*l*), and (*m*).

PAR. 4. The use by respondents of the names, marks, brands, symbols, and devices as set out in paragraph 3 is wholly unauthorized by the owners of said names, marks, brands, symbols, and devices and gives to respondents' goods a salability which they would not otherwise have, and gives to said respondents an advantage over their competitors who do not similarly misrepresent the true origin of their goods and conceal the same under a reputable but false origin as do respondents. The said appropriation and use by said respondents of the reputation and goodwill of others at the expense of and injury to such others who have created such reputation and goodwill has the capacity and tendency to deceive, and deceives the public purchasing said products into believing that respondents' products originate with well-known and reputable concerns contrary to the fact. Thereby substantial injury is done by respondents to competitors and substantial competition in interstate and foreign commerce.

PAR. 5. (a) The name "Marconi" refers to and is generally recognized as the name of Guglielmo Marconi, the engineer and electrician who first perfected the appliances used in space telegraphy, or radiography and the application of electric waves to actual telegraphy and the inventor of various electrical and radio devices among which is the celebrated "Fleming Tube," a tube used in radio sets. Marconi Wireless Telegraph Company of America, a corporation organized in 1899 under and by virtue of the laws of the State of New Jersey, acquired from said Guglielmo Marconi the exclusive right to the use and exploitation of all of the said Guglielmo Marconi patents and inventions, including the use of the name "Marconi" in and throughout the United States and its territories and possessions. In 1919 the said Marconi Wireless Telegraph Company of America sold, transferred and assigned to Radio Corporation of America all of its right, title, and interest in and to said "Marconi" patents and inventions, including the right to the use of the name "Marconi" in connection therewith, and has been used and extensively advertised by, and is the rightful property of Radio Corporation of America and its subsidiaries.

(b) For many years last past the Victor Talking Machine Company, Camden, N. J., has been manufacturing and selling phonographs and phonograph records, which phonographs have acquired a wide and favorable reputation and have been in great demand by the trade and purchasing public. During all this period the phonographs, phonograph records, and other articles manufactured and sold by said company have featured the name "Victor" as part of their trade name, which said name has been attached in a prominent place to said machines, sold, and shipped in interstate and foreign commerce.

In 1929 the Radio Corporation of America obtained control of said Victor Talking Machine Company and organized a company under the corporate name "RCA-Victor Co.," and also organized a company under the name of "The RCA Manufacturing Co., Inc.," which company is engaged in the manufacture and sale of radio sets and combination radio and phonograph sets. All of said sets bear the name "Victor," either alone or in combination with other letters or words in a prominent place on said sets. Said radio sets and combination radio and phonograph sets are sold to the purchasing public by retail dealers throughout the United States. During the past twenty-five years the Victor Talking Machine Company has spent approximately \$70,000,000 in advertising, and the word "Victor" has always prominently appeared in said advertising. At the present time RCA-Victor Company is advertising its radio sets and radio tubes in a

Complaint

24 F. T. C.

number of magazines having a large national circulation and in other publications and newspapers.

The name "Victor" when used on radio sets and radio tubes and like products is the rightful property of the RCA-Victor Co. and the Victor Division of the RCA Manufacturing Company.

The said initials "RCA" have long been used as marks or brands to designate radio sets and radio tubes and other merchandise manufactured, sold, and shipped in interstate and foreign commerce by said RCA-Victor Co., the Victor Division of the RCA Manufacturing Co. and the Radio Corporation of America. Neither said Guglielmo Marconi nor Radio Corporation of America or any of its subsidiaries have ever granted (or consented) to respondents the right to the use of the name Marconi or the name Victor or the letters RCA (or RSA and RCI colorable imitations of the letters RCA) in any manner.

PAR. 6. For more than thirty years prior to his death on October 16, 1931, Thomas A. Edison had been known and recognized throughout the various States of the United States and foreign countries as the inventor, patentee, owner, and manufacturer of numerous electrical devices of various kinds and descriptions and of machines for the reproduction of the human voice, which have acquired a wide and favorable reputation and are in great demand by the trade and purchasing public who desire Edison products. Among the machines for the reproduction of the human voice manufacturer by companies which the said Thomas A. Edison organized and controlled, are phonographs, dictaphones, and transmitting machines, radios, combination radios and phonographs and many other articles of various kinds and character such as storage batteries, spark plugs, ignition coils, and household electrical appliances. Many of the machines and articles above referred to bear the name "Edison" as part of their brand, and such name "Edison" has acquired a valuable goodwill as identifying the manufacturer of said machines or articles.

Among the companies organized and controlled by the said Thomas A. Edison before his death is Thomas A. Edison, Inc., which said company is still engaged in the manufacture of the machines and articles invented and developed by Thomas A. Edison. Thomas A. Edison, Inc., during the years 1926-1930 inclusive, manufactured and sold radio sets valued at many millions of dollars, and during the said period spent several millions of dollars in advertising its said radio products. All the radio sets manufactured and sold by Thomas A. Edison, Inc., feature the name "Edison" as part of their brand name.

The name "Edison" refers to Thomas A. Edison, the great inventor in the electrical field and the pioneer in the talking machine and radio industry, the right to the use of which name was vested in Thomas A. Edison, Inc., by Thomas A. Edison and was extensively advertised and has long previously been used and continues to be used by Thomas A. Edison, Inc. on radio sets, phonographs and other electrical devices and appliances, sold and shipped in interstate and foreign commerce. Neither Thomas A. Edison or the said Thomas A. Edison, Inc. have ever granted (or consented) to respondents the right to the use of the name "Edison" in any manner.

PAR. 7. The name "Bell" and the representation of a bell, when used in connection with sound reproduction and sound transmission in the electrical and radio field refers to the great inventor Alexander Graham Bell and is the property of the said Alexander Graham Bell and his successors and assigns. The common law title to the name "Bell" is vested, by long and continued use since 1886, in the American Telephone & Telegraph Company, its subsidiaries and associates, and the Western Electric Company, Inc. Western Electric Company, Inc. manufactures, sells, extensively advertises and ships radio sets, radio tubes, and radio batteries in interstate and foreign commerce, and uses the name "Blue Bell" and the representation of a bell as a brand name to designate its said products. The representation of a bell has long been used and extensively advertised by the American Telephone & Telegraph Company as a symbol or trade designation in its business. Neither the said Alexander Graham Bell nor the American Telephone and Telegraph Company and its subsidiaries nor Western Electric Company, Inc. have ever granted (or consented) to respondents the right to the use of the name "Bell" in any manner.

PAR. 8. The name "Majestic" is a name long associated with radio sets and is the legal property of Grigsby-Grunow Company who are the original makers of radio sets branded with the name "Majestic," which were extensively advertised, sold and shipped in interstate and foreign commerce by the said Grigsby-Grunow Company. Said name "Majestic" is now vested in Majestic Radio and Television Corporation of Illinois, which now manufactures, sells and ships in interstate and foreign commerce radio sets, radio tubes, and like products branded or marked with the name Majestic. Neither Grigsby-Grunow Company, its successors or assigns nor Majestic Radio and Television Corporation of Illinois have ever granted (or consented) to respondents the right to the use of the name "Majestic" in any manner.

Complaint

24 F. T. C.

PAR. 9. During many years last past the Brunswick-Balke-Collender Co. has been a large manufacturer of billard and pocket billard tables, bowling alleys and various other articles, and its products have acquired a wide and favorable reputation and have been in great demand by the trade and purchasing public for many years last past. During all this period the products manufactured and sold by said company have featured the name "Brunswick" as part of their brand name, which said name has been attached in a prominent place to said products. In 1915 the Brunswick-Balke-Collender Co. began the manufacture and sale of phonographs and phonograph records, and sometime later began the manufacture and sale of radio sets and combination radio and phonograph sets, on all of which articles the name "Brunswick" was featured in a prominent place on said products. In 1930 the radio and phonograph division of said Brunswick-Balke-Collender Co. was sold to Warner Brothers Pictures, Inc., which company organized the corporation under the corporate name Brunswick Radio Corporation to operate the business. Said latter company obtained the exclusive right to use the name "Brunswick" in connection with said radio sets, phonographs, and combination radio and phonograph sets.

Until January 1, 1933, Brunswick Radio Corporation continued the manufacture and sale of radio sets and combination radio and phonograph sets, on all of which sets the name "Brunswick" has been prominently featured. Since January 1, 1933, the manufacture of radio sets by Brunswick Radio Corporation has been suspended, but said Brunswick Radio Corporation still owns the manufacturing plants in which said sets were manufactured and may resume such manufacture at some time in the future. The radio sets and combination radio and phonograph sets manufactured by Brunswick-Balke-Collender Co. and Brunswick Radio Corporation were sold to the purchasing public by retail dealers throughout the United States and in foreign countries. During all the time the Brunswick-Balke-Collender Corporation and the Brunswick Radio Corporation were manufacturing and selling radio sets and combination radio and phonograph sets said companies expended large sums of money in advertising said sets, and the name "Brunswick" has at all times been prominently displayed in said advertising.

"Bronswick," the name used by respondents, is a colorable imitation of the name "Brunswick" which has long been used by the Brunswick-Balke-Collender Co. and the Brunswick Radio Corporation on radio sets, phonographs and combination radio and phonograph sets. Neither Brunswick-Balke-Collender Co., Warner Broth-

1101 .

Findings

ers Pictures, Inc. or Brunswick Radio Corporation have ever granted (or consented) to respondents the right to the use of the name Brunswick (or Bronswick a colorable imitation thereof) in any manner.

PAR. 10. A device of a circle with scroll-like interior projections enclosing the script letters "GE" is the property of General Electric Company and has long been used and extensively advertised by said General Electric Company as a mark or brand to designate the products manufactured, sold and shipped in interstate and foreign commerce by said General Electric Company. The device used by respondents of a circle with scroll-like interior projections enclosing the script letters "EB" is a colorable imitation of this well-known device. Neither Thomas A. Edison, Thomas Edison Inc., Alexander Graham Bell, American Telephone and Telegraph Company, Western Electric Company, nor said General Electric Company or any of its subsidiaries have ever granted (or consented) to respondents the right to the use of the letters "EB" in any manner.

PAR. 11. The offering for sale and sale and shipment by respondents in interstate and foreign commerce, as set out in paragraphs 1, 2, 3, and 4 hereof, to dealers in radio sets, radio tubes, and like products of escutcheons, or name plates stamped or branded with the well-known names, marks, brands, and symbols of others without their consent, and the offering for sale and sale and shipment in interstate and foreign commerce by respondents of radio sets, radio tubes, and like products branded or marked with the names, marks, brands, and symbols of others without authority or consent of the owners thereof, places in the hands of dealers and others the means whereby injury might be done and is done to competitors and the purchasing public, and all of the acts and things alleged and done by respondents are each and all of them to the injury and prejudice of the public and respondents' competitors and constitute unfair methods of competition in interstate and foreign commerce within the intent and meaning of 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."

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

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, on the 14th day of September 1936, issued and served its amended and supplemental complaint, hereinafter

known as the complaint, in this proceeding, upon the following named corporations and individuals:

Respondents, Etched Products Corporation, Albert Nierenberg, Walter H. Miller, Electro Chemical Engraving Company, F. E. Switzer, N. L. Jacobus, Robert Schlesinger, Julius Erdoes, L. S. Southwick, Premier Metal Etching Company, Herbert Pape, Karl D. (named Carl J.) Johnson, Ernest A. Rottach, Hugo Lehrfeld, American Emblem Company, Paul B. Williams, Clarence S. C. Williams, James Eels, Fred B. King, Edgar Denton, Jr., Metal Etching Corporation, M. Hermann, Crowe Nameplate and Manufacturing Company, E. C. Coolidge, I. Robinson Smith, King Trading Corporation, Royal Radio Company, Inc., Murray Auerbach, A. M. Frank, David (I.) Morrison, Harvard Radio Tube Testing Stations of Pennsylvania, Inc., Julius M. Schoenberg, Ross Distributing Company, Larry B. Ross, Sun Radio and Service Supply Corporation, Emanuel Rosensweig, Schiller Brothers, Inc., Louis Schiller, Peter Robbins, trading as Robbins Radio Company and Ambassador Radio Company, and F. C. Scruggs, trading as Call Radio Company.

Respondents, Metro Manufacturing Company, Inc., Metro Radio Corporation, Metro Sales Company, Inc., Pyramid Distributors, Inc., George Levine, Max Scafford, and Regina Gadol could not be located and were not served with copies of the complaint.

Thereafter the proceeding regularly came on for final hearing before the Commission on said complaint and the answers thereto; and the Commission having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the public interest and makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondents, Etched Products Corporation, Walter H. Miller, Albert Nierenberg, Electro Chemical and Engraving Company (named in the complaint Electro Chemical Engraving Company), F. E. Switzer, N. L. Jacobus, Robert Schlesinger, Julius Erdoes, L. S. Southwick, Premier Metal Etching Corporation, Karl D. (named in the complaint Carl J.) Johnson, Ernest A. Rottach, Hugo Lehrfeld, American Emblem Company, Paul B. Williams, Clarence S. C. Williams, James Eels, Fred B. King, and Edgar Denton, Jr., filed answers in which they deny all the material allegations of the complaint. It appears that said respondents did not participate in the acts and practices charged in the complaint, and the complaint should be dismissed as to said respondents.

PAR. 2. Respondent, Metal Etching Corporation, is a corporation organized under the laws of the State of New York, domiciled and doing business at 1001 Essex Street, Brooklyn, N. Y., and respondent, M. Hermann, was and is an officer and agent of said corporation.

Respondent, Crowe Nameplate and Manufacturing Company, is a corporation organized under the laws of the State of Illinois, domiciled and doing business at 1749 Grace Street, Chicago, Ill., and respondents E. C. Coolidge and I. Robinson Smith are officers and agents of said corporation.

Respondents hereinabove named are now, and have been for several years last past, engaged in the manufacture and sale of escutcheons and nameplates—upon which said products they have etched or stamped names, marks, brands, and symbols—for use as marks and brands on radio sets and radio parts to designate the names, marks, brands, and symbols of the makers and brand names of said radio sets and radio parts. They have sold and shipped and now sell and ship products to manufacturers and dealers in radio sets and radio parts, including the respondents named in paragraphs 3 and 4 hereof. They have caused and now cause said escutcheons and nameplates so marked and branded when sold to be transported from their respective places of business in the States of New York and Illinois to purchasers thereof at their respective points of location in States of the United States other than the State of origin of the shipment and in the District of Columbia and foreign countries.

PAR. 3. Respondent, King Trading Corporation, is a corporation organized under the laws of the State of New York, domiciled and doing business at 51 Vesey Street, New York City, N. Y.; respondent, Royal Radio Company, Inc., is a corporation organized under the laws of the State of New York, doing business at 168 Washington Street, New York City, N. Y., and respondent, Murray Auerbach, was and is an officer and agent of said respondent corporations.

Respondents A. M. Frank, David (I.) Morrison and Murray Auerbach conducted business in an individual capacity as free agents and also as agents of said respondents, King Trading Corporation and Royal Radio Company, Inc., with their principal places of business at 16 Hudson Street, and 168 Washington Street in New York City, N. Y.

The respondents herein named have been for several years last past, and are now, engaged in the manufacture, assembly, and sale of radio sets and radio parts upon which said products they place and cause to be placed escutcheons and nameplates—purchased from respondents set out and described in paragraph 2—with names, letters, marks, brands, and symbols etched or stamped thereon to design-

nate the makers and brand names of said radio sets and radio parts. They sell and ship said products to the respondents named in paragraph 4 hereof and to other dealers and to the public. They have caused, and now cause, said radio parts and radio sets, escutcheons and nameplates so marked and branded, when sold, to be transported from their respective places of business in the State of New York to purchasers thereof at their respective points of location in States of the United States other than the State of origin of the shipment and in the District of Columbia and to foreign countries.

PAR. 4. Respondent, Harvard Radio Tube Testing Stations of Pennsylvania, Inc., is a corporation organized under the laws of the State of Pennsylvania, domiciled and doing business at 208 N. Broad Street, Philadelphia, Pa., and respondent Jules M. Schoenberg is an officer, representative and agent of said corporation.

Respondent, Ross Distributing Company, is a corporation organized under the laws of the State of Pennsylvania, with its principal place of business at 2020 Chancellor Street, in the city of Philadelphia, Pa., and respondent Larry B. Ross is an officer, agent, and representative of said corporation.

Respondent, Sun Radio and Service Supply Corporation, is a corporation organized under the laws of the District of Columbia, domiciled and doing business at 938 F Street N. W., Washington, D. C., and respondent, Emanuel Rosensweig, is an officer, agent, and representative of said corporation.

Respondent, Schiller Brothers, Inc., is a corporation organized under the laws of the District of Columbia, domiciled and doing business at 922 F Street, N. W., Washington, D. C., and respondent Louis S. Schiller is an officer, agent, and representative of said corporation.

Respondent, Peter Robbins, is an individual trading under the names Robbins Radio Company and Ambassador Radio Company, domiciled and doing business at 940 F Street, N. W., Washington, D. C.

Respondent, F. C. Scruggs, is an individual trading under the name Call Radio Company, domiciled and doing business at 636 H Street, N. E., Washington, D. C.

The respondents herein named have been for several years last past, and are now, engaged in the sale and distribution of radio sets and radio parts upon which said products there are affixed escutcheons and nameplates with names, marks, brands, and symbols etched or stamped thereon to designate the names, marks, brands, and symbols of the makers and brand names of said products. Said radio sets and radio parts so offered for sale and sold with said escutcheons and nameplates affixed thereto, were, and are, bought from the several respond-

ents set out and described in paragraphs 2 and 3. Said products, so marked and branded, were, and are, sold by said respondents to the purchasing public, and, when sold, are transported from their several respective places of business in the city of Philadelphia, State of Pennsylvania, and the city of Washington, D. C., to purchasers thereof at their several points of location in States other than the State or point of origin and in the District of Columbia, and in foreign countries.

PAR. 5. For the purpose of selling escutcheons and nameplates and of inducing manufacturers and dealers in radio sets, radio parts and like products to buy said products, the several respondents set out and described in paragraph 2 have been for several years last past, and are now, engaged in a scheme to deceive the public and to compete unfairly with other manufacturers and dealers in escutcheons and nameplates and like products who are in competition with respondents in interstate and foreign commerce;

For the purpose of selling radio sets, radio parts, and like products and of inducing the public to buy said products, the several respondent corporations and the several respondent individuals, individually, and as officers, agents, and representatives of said respondent corporations, herein set out and described in paragraphs 2, 3, and 4, cooperating among themselves and together with one another, have been for several years last past and are now engaged in a scheme to deceive the public and to compete unfairly with other manufacturers and dealers in radio sets, radio parts, escutcheons, and nameplates, and like products, who are in competition with the said respondents in interstate and foreign commerce. In furtherance of said scheme, the said respondents have adopted, made, used, and sold, and now make, use, sell, and ship in interstate and foreign commerce to distributors, dealers and others, escutcheons, and nameplates and radio sets, radio parts, and like products, upon which are attached, or to which are affixed, escutcheons and nameplates bearing the names, marks, brands, and symbols of corporations and individuals well known and long established in the radio and like industries, which names, marks, brands, and symbols were adopted and used and are now being used by said respondents and others without authority or consent from the legal owners and users of said names, marks, brands, and symbols.

Among the names, marks, brands, and symbols so made, adopted, and used by respondents are the following:

"Marconi" and also "Marconi-International," "Marconi Radio Corporation," which are found to be colorable imitations and simulations of said name "Marconi":

Findings

24 F. T. C.

"Edison" and also "Edison-International," "Edison-Bell," "Edison" with the representation of a bell, "Edison Radio Stores, Inc.," which are found to be colorable imitations and simulations of said name "Edison";

"Bell" and the representation of a bell, which is found to be a simulation of the name "Bell";

"Victor" and also "Victor International," which is found to be a colorable imitation and simulation of said name "Victor";

"Majestic" and also "Majestic International" and "Majestic Radio Corporation" which are found to be colorable imitations and simulations of the said name "Majestic";

"Brunswick" and also "Bronswick" which is found to be a colorable imitation and simulation of the said name "Brunswick";

The letters "R. C. A." and also "R. C. I." and "R. S. A.," which are found to be colorable imitations and simulations of said letters "R. C. A.";

The letters "G. E.," either alone or in the circle with scroll like interior decorations, and also the letters "E. B.," which are found to be a colorable imitation and simulation of said letters "G. E."; and

"Marconi," "Edison," "Bell," "Victor," "Majestic," "Brunswick," or "Bronswick," standing alone or in conjunction with other words, names or devices, or any other colorable imitations or simulations of said trade names, marks and brands.

Said respondent corporations, and said respondent individuals, individually, and as officers, agents, and representatives, set out and described in paragraph 2, with respect to escutcheons and name plates, and said respondent corporations, and said respondent individuals, individually, and as officers, agents, and representatives, set out and described in paragraphs 3 and 4, with respect to escutcheons, nameplates, radio sets, radio parts and like products, marked and branded with the said well known and long established names, marks, brands, and symbols hereinabove set out and described, advertise said products in pamphlets, circulars, catalogues, newspapers, and other periodicals circulated in interstate and foreign commerce, and in the District of Columbia, and sell and ship said products so marked from their respective places of business to purchasers thereof located in the District of Columbia and in States other than the State or place of origin of said shipments, in interstate and foreign commerce without the authority or consent of the legal owners of said names, marks, brands, and symbols.

PAR. 6. (a) The name "Marconi." The name "Marconi" refers to and is generally recognized as the name of Guglielmo Marconi, the engineer and electrician who first perfected the appliances used in

space telegraphy or radiography and the application of electric waves to actual telegraphy and the inventor of various electrical and radio devices among which is the celebrated "Fleming Tube," a tube used in rado sets. Marconi Wireless Telegraph Company of America, a corporation organized in 1899 under and by virtue of the laws of the State of New Jersey, acquired from said Guglielmo Marconi the exclusive right to the use and exploitation of all of the said Guglielmo Marconi patents and inventions, including the use of the name "Marconi" in and throughout the United States and its territories and possissions. In 1919 the said Marconi Wireless Telegraph Company of America sold, transferred and assigned to Radio Corporation of America all of its right, title, and interest in and to said "Marconi" patents and inventions, including the right to the use of the name "Marconi" in connection therewith. Said name "Marconi" is now, and has been used and extensively advertised by, and is the rightful property of Radio Corporation of America and its subsidiaries.

(b) The name "Victor." For many years last past the Victor Talking Machine Company, Camden, N. J., has been manufacturing and selling phonographs and phonograph records, which phonographs have acquired a wide and favorable reputation and have been in great demand by the trade and purchasing public. During all this period the phonographs, phonograph records and other articles manufactured and sold by said company have featured the name "Victor" as part of their trade name, which said name has been attached in a prominent place to said machines, sold and shipped in interstate and foreign commerce.

In 1929 the Radio Corporation of America obtained control of said Victor Talking Machine Company and organized a company under the corporate name "RCA-Victor Co.," and also organized a company under the name of "The RCA Manufacturing Co., Inc.," which company is engaged in the manufacture and sale of radio sets and combination radio and phonograph sets. All of said sets bear the name "Victor," either alone or in combination with other letters or words in a prominent place on said sets. Said radio sets and combination radio and phonograph sets are sold to the purchasing public by retail dealers throughout the United States. During the past twenty-five years the Victor Talking Machine Company has spent approximately \$70,000,000 in advertising, and the word "Victor" has always prominently appeared in said advertising. At the present time RCA-Victor Company is advertising its radio sets and radio tubes in a number of magazines having a large national circulation and in other publications and newspapers.

Findings

24 F. T. C.

The name "Victor" when used on radio sets and radio tubes and like products is the rightful property of the RCA-Victor Company and the Victor Division of the RCA Manufacturing Company.

(c) The letters or initials "R. C. A." The initials "RCA" have long been used as marks or brands to designate radio sets and radio tubes and other merchandise manufactured, sold and shipped in interstate and foreign commerce by said RCA-Victor Company, the Victor Division of the RCA Manufacturing Company and the Radio Corporation of America. Neither said Guglielmo Marconi nor Radio Corporation of America or any of its subsidiaries have ever granted (or consented) to respondents the right to the use of the name Marconi or the name Victor or the letters RCA (or RSA and RCI, colorable imitations of the letters RCA) in any manner.

(d) The name "Edison." For more than thirty years prior to his death on October 16, 1931, Thomas A. Edison had been known and recognized throughout the various States of the United States and foreign countries as the inventor, patentee, owner, and manufacturer of numerous electrical devices of various kinds and descriptions and of machines for the reproduction of the human voice, which have acquired a wide and favorable reputation and are in great demand by the trade and purchasing public who desire Edison products. Among the machines for the reproduction of the human voice manufactured by companies which the said Thomas A. Edison organized and controlled, are phonographs, dictaphones, and transmitting machines, radios, combination radios and phonographs and many other articles of various kinds and character such as storage batteries, spark plugs, ignition coils, and household electrical appliances. Many of the machines and articles above referred to bear the name "Edison" as part of their brand, and such name "Edison" has acquired a valuable goodwill as identifying the manufacturer of said machines or articles.

Among the companies organized and controlled by the said Thomas A. Edison before his death is Thomas A. Edison, Inc., which said company is still engaged in the manufacture of the machines and articles invented and developed by Thomas A. Edison. Thomas A. Edison, Inc., during the years 1926-1930, inclusive, manufactured and sold radio sets valued at many millions of dollars, and during the said period spent several millions of dollars in advertising its said radio products. All the radio sets manufactured and sold by Thomas A. Edison, Inc., feature the name "Edison" as part of their brand name.

The name "Edison" refers to Thomas A. Edison, the great inventor in the electrical field and the pioneer in the talking machine and

radio industry, the right to the use of which name was vested in Thomas A. Edison, Inc., by Thomas A. Edison and was extensively advertised and has long previously been used and is now used by Thomas A. Edison, Inc., on radio sets, phonographs and other electrical devices and appliances, sold and shipped in interstate and foreign commerce. Neither Thomas A. Edison nor the said Thomas A. Edison, Inc., have ever granted (or consented) to respondents the right to the use of the name "Edison" in any manner.

(e) The name "Bell." The name "Bell" and the representation of a bell, when used in connection with sound reproduction and sound transmission in the electrical and radio field refers to the great inventor Alexander Graham Bell and is the property of the said Alexander Graham Bell and his successors and assigns. The common law title to the name "Bell" is vested, by long and continued use since 1886, in the American Telephone & Telegraph Company, its subsidiaries and associates, and the Western Electric Company, Inc. Western Electric Company, Inc., manufactures, sells, extensively advertises and ships radio sets, radio tubes and radio batteries in interstate and foreign commerce, and uses the name "Blue Bell" and the representation of a bell as a brand name to designate its said products. The representation of a bell has long been used and extensively advertised by the American Telephone & Telegraph Company as a symbol or trade designation in its business. Neither the said Alexander Graham Bell nor the American Telephone and Telegraph Company and its subsidiaries Western Electric Company, Inc., have ever granted (or consented) to respondents the right to the use of the name "Bell" in any manner.

(f) The name "Majestic." The name "Majestic" is a name long associated with radio sets and is the legal property of Grigsby-Grunow Company who are the original makers of radio sets branded with the name "Majestic," which were extensively advertised, sold and shipped in interstate and foreign commerce by the said Grigsby-Grunow Company. Said name "Majestic" is now vested in Majestic Radio and Television Corporation of Illinois, which now manufactures, sells and ships in interstate and foreign commerce radio sets, radio tubes and like products branded or marked with the name Majestic. Neither Grigsby-Grunow Company, its successors or assigns nor Majestic Radio and Television Corporation of Illinois have ever granted (or consented) to respondents the right to the use of the name "Majestic" in any manner.

(g) The name "Brunswick" (Bronswick). During many years last past the Brunswick-Balke-Collender Company has been a large manufacturer of billiard and pocket billiard tables, bowling alleys and

various other articles, and its products have acquired a wide and favorable reputation and have been in great demand by the trade and purchasing public for many years last past. During all this period the products manufactured and sold by said Company have featured the name "Brunswick" as part of their brand name, which said name has been attached in a prominent place to said products. In 1915 the Brunswick-Balke-Collender Company began the manufacture and sale of phonographs and phonograph records, and sometime later began the manufacture and sale of radio sets and combination radio and phonograph sets, on all of which articles the name "Brunswick" was featured in a prominent place on said products. In 1930 the radio and phonograph division of said Brunswick-Balke-Collender Company was sold to Warner Brothers Pictures, Inc., which company organized the corporation under the corporate name Brunswick Radio Corporation to operate the business. Said latter company obtained the exclusive right to use the name "Brunswick" in connection with said radio sets, phonographs and combination radio and phonograph sets.

Until January 1, 1933, Brunswick Radio Corporation continued the manufacture and sale of radio sets and combination radio and phonograph sets, on all of which sets the name "Brunswick" has been prominently featured. Since January 1, 1933, the manufacture of radio sets by Brunswick Radio Corporation has been suspended but said Brunswick Radio Corporation still owns the manufacturing plants in which said sets were manufactured and may resume such manufacture at some time in the future. The radio sets and combination radio and phonograph sets manufactured by Brunswick-Balke-Collender Company and Brunswick Radio Corporation were sold to the purchasing public by retail dealers throughout the United States and in foreign countries. During all the time the Brunswick-Balke-Collender Corporation and the Brunswick Radio Corporation were manufacturing and selling radio sets and combination radio and phonograph sets said companies expended large sums of money in advertising said sets, and the name "Brunswick" has at all times been prominently displayed in said advertising.

"Brunswick," the name used by respondents, is a colorable imitation of the name "Brunswick" which has long been used by the Brunswick-Balke-Collender Company and the Brunswick Radio Corporation on radio sets, phonographs and combination radio and phonograph sets. Neither Brunswick-Balke-Collender Company, Warner Brothers Pictures, Inc., nor Brunswick Radio Corporation have ever granted (or consented) to respondents the right to the use

1101

Findings

of the name Brunswick (or Bronswick, a colorable imitation thereof) in any manner.

(h) The letters G. E. in a circle, with scroll-like interior decorations. A device of a circle with scroll-like interior projections enclosing the script letters "GE," is the property of General Electric Company and has long been used and extensively advertised by said General Electric Company as a mark or brand to designate the products manufactured, sold, and shipped in interstate and foreign commerce by said General Electric Company. The device used by respondents of a circle with scroll-like interior projections enclosing the script letters "EB," is a colorable imitation of this well known device. Neither Thomas A. Edison, Thomas Edison, Inc., Alexander Graham Bell, American Telephone and Telegraph Company, Western Electric Company, nor said General Electric Company or any of its subsidiaries have ever granted (or consented) to respondents the right to the use of the letters "EB" or "G. E." in any manner.

Said names, letters, and symbols are the names and designations of said well known and long established individuals, companies, and corporations, and are standard brands and symbols when used as company, corporate, and trade names, and as marks and brands on radio sets, radio parts and like products, and said products so marked have a fixed and stable value in the trade and industry generally throughout the United States and foreign countries. The purchasing public relies upon said well known brands, marks, and symbols when used on radio sets, radio parts and like products, and in said industries as indicating high standard, reliable and genuine products. The use of such names, letters and symbols influences the purchase of said products and increases sales. The number of dealers in said products so marked, increase sales value. The said names, letters and symbols attached to said products have value to the thousands of dealers engaged in the sale and distribution of said standard brand products. The said names, letters, and symbols are valuable to those persons, partnerships, and corporations owning them, and who have used and now use and employ them in commerce.

Because of the popularity of the names "Marconi," "Victor," "Bell," "Edison," "Brunswick," "Majestic," and the letters "G. E.," either standing alone or in a circle with scroll-like interior decorations, and the letters "R. C. A.," and the products bearing these names, letters, and symbols, manufactured and sold by the lawful owners thereof; the use by respondents of said names, letters and symbols, and simulations thereof, has led and has the capacity and tendency to lead the public to believe that the products sold by respondents and so marked or identified are the products of said well

known respective companies or interests hereinabove referred to and identified and results in the appropriation by the respondents of the good will of, and an unfair diversion of business from said respective competitor companies and interests, and an unfair diversion of business from other competitors who do not resort to such practices, to the injury of the owners of said marks, letters, and symbols and of said competitors, and to the prejudice and injury of the public.

PAR. 7. The use by respondents of the names, marks, brands, symbols, and devices as set out in paragraph 5 is wholly unauthorized by the owners of said names, marks, brands, symbols, and devices and gives to respondents' goods a salability which they would not otherwise have, and gives to said respondents an advantage over their competitors who do not similarly misrepresent the true origin of their goods and conceal the same under a reputable but false origin as do respondents. The said appropriation and use by said respondents of the reputation and good will of others at the expense of and injury to such others who have created such reputation and good will, has the capacity and tendency to deceive, and deceives the public purchasing said products into believing that respondents' products originate with well known and reputable concerns contrary to the fact. Thereby substantial injury is done by respondents to competitors and substantial competition in interstate and foreign commerce.

The purchasing public buying radio sets, radio parts, and like products, marked or branded with the said well known names, letters, and symbols are of a common mind or belief, regardless of the selling price or of the source of supply, that said products are manufactured and sold by the lawful owners and users of said names, marks, brands, letters, and symbols, and when said names, marks, brands, letters, and symbols are placed upon radio sets, radio parts, and like products, such products are accepted as the products of those who have lawfully used and now use such names as marks, brands, letters, and symbols upon like products as set out in paragraph 6 hereof. The name or brand being dependent upon, influences the sale of said products.

Members of the purchasing public have purchased radio sets, radio parts, and like products branded and sold to the trade by respondents and others, which products were imitations of or less than the genuine products entered in trade by the lawful owners and users of said standard names, and have been deceived in such purchases.

The manufacture, sale and delivery by respondents set out and described in paragraphs 2, 3, and 4, of escutcheons and nameplates, and radio sets, radio parts and like products, marked and branded

1101

Order

with the names, letters and symbols set out and described in paragraph 5, without authority or consent of the legal owners and lawful users thereof, places in the hands of others to whom said products are sold, the means whereby injury might be and is done to competitors dealing in the genuine products honestly marked. Injury to manufacturers and dealers in the legitimate products is suffered by the sale by respondents of said products falsely marked, sold and shipped in interstate and foreign commerce. Injury to the lawful owners and users of said standard brands, names, marks and symbols is suffered because of the manufacture, sale, and competition of said respondents' said products.

CONCLUSION

The aforesaid acts and practices of the said respondents, Metal Etching Corporation, M. Hermann, Crowe Nameplate and Manufacturing Company, E. C. Coolidge, I. Robinson Smith, King Trading Corporation, Royal Radio Company, Inc., Murray Auerbach, A. M. Frank, David (I.) Morrison, Harvard Radio Tube Testing Stations of Pennsylvania, Inc., Julius M. Schoenberg, Ross Distributing Company, Larry B. Ross, Sun Radio Service and Supply Corporation, Emanuel Rosensweig, Schiller Brothers, Inc., Louis S. Schiller, Peter Robbins, individually and trading under the names Robbins Radio Company and Ambassador Radio Company, and F. C. Scruggs individually and trading under the name Call Radio Company, are to the prejudice of the public and respondents' competitors and are unfair methods of competition in interstate commerce and constitute a violation 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."

ORDER TO CEASE AND DESIST, ETC.

This proceeding having been heard by the Federal Trade Commission upon the amended and supplemental complaint of the Commission, the answers of those respondents, upon whom the complaint was served, some of which answers deny the material allegations of the complaint and some of which admit the material allegations of the complaint, and the Commission being fully advised in the premises,

It is ordered, That the complaint issued herein be and the same is hereby dismissed as to the respondents, Etched Products Corporation and Albert Nierenberg and Walter H. Miller; Electro Chemical

Order

24 F. T. C.

& Engraving Company and F. E. Switzer, N. L. Jacobus, Robert Schlesinger, Julius Erdoes and L. S. Southwick; Premier Metal Etching Company and Herbert Pape, Carl J. Johnson (Karl D. Johnson), Ernest A. Rottach and Hugo Lehrfeld; American Emblem Company and Paul B. Williams, Clarence S. C. Williams, James Eels, Fred B. King, and Edgar Denton, Jr., for the reason that there is no evidence to establish the allegations of the complaint as to said respondents.

It is further ordered, That the case growing out of the complaint herein be and the same is hereby closed without prejudice to the right of the Commission to re-open the same for further investigation and action thereon as to the respondents, Metro Manufacturing Company, Inc., Metro Radio Corporation, Metro Sales Company, Inc., Pyramid Distributors, Inc., Regina Gadol, George Levine, and Max Scafford, for the reason that the record shows they were not located and the complaint was not served upon said respondents.

It is further ordered, That the respondent corporations Metal Etching Corporation and Crowe Nameplate and Manufacturing Company, their respective officers, agents, and representatives, and the respondent individuals M. Hermann, E. C. Coolidge, and I. Robinson Smith, individually and their respective agents and representatives, in connection with the offering for sale and sale in interstate and foreign commerce, and in the District of Columbia, of escutcheons and nameplates, cease and desist from: selling, distributing or furnishing name plates and escutcheons for radio sets and like products bearing the names, letters, and symbols, "Marconi," "Edison," "Bell," "Victor," "Majestic," "Brunswick," the letters "R. C. A.," and the letters "G. E." or colorable imitations or simulations of said names, letters and symbols, to any manufacturers, assemblers, or dealers in radio sets and like products, or to any other person, firm, or corporation, except to the manufacturers, assemblers, and dealers owning said trade names or marks, or to the licensees of the owners thereof.

It is further ordered, That the respondent corporations, King Trading Corporation; Royal Radio Company, Inc.; Harvard Radio Tube Testing Stations of Pa., Inc.; Ross Distributing Company; Sun Radio and Service Supply Corporation; Schiller Brothers, Inc., their several officers, agents and representatives, and the respondent individuals, Louis S. Schiller, Murray Auerbach, A. M. Frank, David (I.) Morrison, Julius M. Schoenberg, Larry B. Ross, Emanuel Rosensweig, and respondent F. C. Scruggs, individually and trading under the name Call Radio Company, and respondent Peter Robbins, individually and trading under the names Robbins Radio

1101

Order

Company and Ambassador Radio Company; and said respondent individuals trading under any other name or names, in connection with the offering for sale and sale in interstate and foreign commerce, and in the District of Columbia, of radio sets, radio parts, and like products, and escutcheons and nameplates, do cease and desist from:

Representing directly or indirectly, through the use in any manner, of the trade names or marks, "Marconi," "Edison," "Bell," "Victor," "Majestic," "Brunswick," or the letters "R. C. A.," or the letters "G. E.," or through the use, in any manner, of any colorable simulations and imitations thereof, such as, but without limitation, "Marconi-International," "Marconi Radio Corporation," "Edison International," "Edison-Bell," "Edison" with the representation of a bell, "Edison Radio Stores, Inc.," the representation of a bell, "Victor International," "Majestic International," "Majestic Radio Corporation," "Brunswick," or the letters "R. C. I.," "R. S. A.," "E. B.," or through the use of any other trade names or marks of which they are not the legal owners, without the permission of the lawful owners thereof, or through any other means or device, or in any manner that the radio sets, radio parts and like devices, appliances or products manufactured or assembled for or by, and sold by any of said respondents, are manufactured, assembled, sold, sponsored, endorsed, approved, or licensed by Thomas A. Edison, Thomas A. Edison, Inc., American Telephone and Telegraph Company, Western Electric Company, Marconi Wireless Telegraph Company of America, Radio Corporation of America, Victor Talking Machine Company, Brunswick-Balke-Collender Company, Warner Brothers Pictures, Inc., and its subsidiary, Brunswick Radio Corporation, Grigsby-Grunow Company, or Majestic Radio & Television Corporation, General Electric Company, or the agents, representatives, successors, or assigns of any of said persons, partnerships or corporations, or that said products are manufactured, assembled, sold, sponsored, endorsed, approved, or licensed by any corporation, association, partnership, or person who, in fact, did not and does not manufacture, assemble, sell, and transport said products.

It is further ordered, That said respondents shall within 60 days from notice hereof, file with this Commission a report in writing, stating in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

JEAN G. SUBIN, ISRAEL SUBIN, AND JOHN N. KINDERMAN, INDIVIDUALLY, AND TRADING AS AMERICAN REMEDY COMPANY

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

Docket 3013. Complaint, Dec. 10, 1936—Decision, Apr. 28, 1937

Where three individuals engaged in the distribution and sale of the acetyl salicylic acid product known as aspirin, in substantial competition with others engaged in distribution and sale of such products in commerce among the various States and in the District of Columbia, and including many who do not in any manner misrepresent their said products, either as to quality or efficacy in treatment and cure of ailments and conditions of the body; in advertising the same—

- (a) Represented that their said product was the purest acetyl salicylic acid, commonly known as aspirin, obtainable in America, and that it was registered in the Patent Office, through designation thereof as "American Purest Aspirin," and through statement "Registered U. S. Patent Office"; and
- (b) Represented that it was a competent and effective treatment and cure for colds and aches and pains of whatever nature;

Facts being it was not thus registered, and had not been, as believed by many by virtue of such supposed registration, tested and approved, and was not, by reason thereof, superior to similar products offered by competitors, and was no better than or different from product of many of its competitors, and was not a competent and effective treatment and cure for all colds, aches, and pains, in that it had no effect on causative factors of such conditions in the body;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public into the erroneous belief that said representations and implications were true and that products of competitors were inferior to and less effective than that of said individuals, and with result that a substantial number of the purchasing and consuming public, as a result of such erroneous beliefs thus engendered, bought their said product and thereby diverted trade to them from their competitors who truthfully advertise their products; to their injury and that of the public:

Held, That such acts and practices were to the prejudice of the public and competitors and constituted unfair methods of competition.

Before *Mr. Miles J. Furnas*, trial examiner.

Mr. William L. Taggart for the Commission.

Mr. Herman Lipman Cohen, of Philadelphia, Pa., for respondents.

COMPLAINT

Pursuant to the provisions of an Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Com-