

IN THE MATTER OF
**LINWOOD SALES CO., INC., AND BERNARD ABRAMS AND
ABE S. WILLNER**

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

Docket 3414. Complaint, May 10, 1938—Decision, Feb. 7, 1939

Where a corporation and two individuals, officers thereof and in direction and control of its sales policies and business activities, acting together and in cooperation, and engaged in sale and distribution of razor blades, watches, china and silverware, umbrellas, and other articles of novelty merchandise to purchasers in other States and in the District of Columbia, in competition with others engaged in sale and distribution of similar and like articles in commerce and in said District—

- (a) Distributed or caused to be distributed to representatives and prospective representatives, in selling and distributing said products by means of a game of chance, gift enterprise, or lottery scheme, among other advertising literature, sales circulars including list of number of items of merchandise and respective prices thereof, and pull cards for distribution of said merchandise to purchasers under a plan or scheme in accordance with which particular article of merchandise and price to be paid therefor and apparent value to be secured, and additional article to be possibly received therewith as prize without additional cost, were dependent upon legend or disclosure revealed by removal of tab of card selected by chance by purchaser, and under which operator of card was compensated by premium for sale of merchandise thereby, and thereby supplied to and placed in the hands of others the means of conducting a lottery in the sale of their merchandise in accordance with aforesaid or other similar plans involving game of chance or sale of a chance to procure article of merchandise at price much less than apparent normal retail price thereof, and to procure additional article as prize without additional cost, contrary to the established public policy of the United States Government and in violation of criminal laws, and in competition with many who are unwilling to adopt and use said or any method involving game of chance or sale of a chance to win by chance, or any other method contrary to public policy and refrain therefrom;

With the result that many persons were attracted by their said method and by element of chance involved in the sale of such merchandise as above described, and were thereby induced to buy and sell same in preference to that offered and sold by said competitors who do not use such or equivalent method, and with effect of unfairly diverting trade and custom to them from their said competitors, and with capacity and tendency to exclude from novelty merchandise trade all competitors who are unwilling to and do not use such or equivalent methods as unlawful; to their substantial injury;

- (b) Made and caused to be made such statements and representations in their advertising matter as "Free—Beautiful and Useful Gifts—Free," "Beautiful, Useful Household Gifts at Absolutely No Cost," and others of similar tenor,

and "We Pay All Shipping Charges," and thereby misled and deceived substantial part of purchasing public in several States and in said District, through inducing them mistakenly to believe that they were giving away certain of their said articles without cost to their representatives, and that they prepaid all charges on their said articles;

Facts being none of said premiums or so-called gifts were given away free or without cost, but they were either purchased with labor by said representatives or price thereof was included in that of other articles which representatives had to sell or procure sale of before such premiums or so-called gifts could be obtained by them, and, in event of a number thereof, certain sums of money were also required to be paid by such representatives in addition to their labor or services, and said corporation and individuals did not prepay all of the charges on their said articles, but required payment of certain specified sums or shipping charges on a number thereof;

With effect of misleading and deceiving substantial portion of purchasing public into erroneous belief that such statements were true and into purchase of substantial quantities of such products as a result thereof, and of unfairly diverting trade to them from competitor manufacturers and distributors of like and similar products who do not make such false, deceptive, and misleading statements concerning the method of sale and distribution thereof; to the substantial injury of competition in commerce:

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

Before *Mr. Randolph Preston*, trial examiner.

Mr. Henry C. Lank and *Mr. D. C. Daniel* for the Commission.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Linwood Sales Co., Inc., a corporation, and Bernard Abrams and Abe S. Willner, individually and as officers of Linwood Sales Co., Inc., hereinafter referred to as respondents, have violated the provisions of the 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. Respondent Linwood Sales Co., Inc., is a corporation organized and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 101 Prince Street, New York, N. Y. Respondent Bernard Abrams is the president, and respondent Abe S. Willner is the secretary-treasurer of the corporate respondent, both of whom have their offices at the same place of business as said corporation. The individual respondents direct and control the sales policies and business activities of the corporate respondent and all of said respondents act together and in cooperation with each other in doing the acts and things hereinafter

alleged. Respondents are now, and for some time last past have been, engaged in the sale and distribution of razor blades, watches, china and silverware, clocks, cosmetics, dresser sets, umbrellas, bedding, and other articles of novelty merchandise in commerce between and among the various States of the United States and in the District of Columbia. Respondents cause and have caused said products, when sold, to be shipped or transported from their place of business in the State of New York to purchasers thereof located in States of the United States other than the State of New York and in the District of Columbia at their respective points of location. There is now, and has been for some time last past, a course of trade by said respondents in such merchandise in commerce between and among the various States of the United States and in the District of Columbia. In the course and conduct of said business, respondents are in competition with other corporations and individuals and with partnerships engaged in the sale and distribution of similar or like articles of merchandise in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 2. In the course and conduct of their business as described in paragraph 1 hereof, respondents sell and distribute said articles of merchandise by means of a game of chance, gift enterprise, or lottery scheme. Respondents distribute, or cause to be distributed, to their representatives and prospective representatives, certain advertising literature including, among other things, a sales circular. Respondents' merchandise is distributed to the purchasers thereof in the following manner: A portion of said sales circular consists of a list on which there are designated a number of items of merchandise and the respective prices thereof. Adjacent to the list is printed and set out a device commonly called a pull card. Said pull card consists of a number of tabs, under each of which is concealed the name of an article of merchandise and the price thereof. The name of the article of merchandise and the price thereof are so concealed that purchasers or prospective purchasers of the tabs or chances are unable to ascertain which article of merchandise they are to receive or the price which they are to pay until after the tab is separated from the card. When a purchaser has detached the tab and learned what article of merchandise he is to receive and the price thereof, his name is written on the list opposite the named article of merchandise. The purchaser pulling the tab calling for a certain article of merchandise is entitled to and receives said article of merchandise, together with an additional article of merchandise as a prize without additional cost. Some of said articles of merchandise have purported and represented retail values and regular prices greater than the prices designated for them, but are distrib-

uted to the purchaser for the price designated on the tab which he pulls. The apparent greater values and regular prices of some of said articles of merchandise as compared to the prices the customer would be required to pay in the event he secures said articles, together with the chance of securing the prize given without extra charge to the person securing a specified article, induces members of the purchasing public to purchase the tabs or chances in the hope that they will receive articles of merchandise having greater values and higher regular prices than the designated prices to be paid therefor. The fact as to which article of merchandise a purchaser receives, the amount to be paid, whether the article purchased is one which has greater value and a higher regular price than the amount to be paid, and whether the purchaser receives an additional article of merchandise as a prize without additional cost, are thus determined wholly by lot or chance.

When a person or representative operating a pull card had succeeded in selling all the tabs or chances, collected the amounts called for and remitted the said sums to the respondents, the said respondents thereupon ship to said representative the merchandise sold by means of said card, together with a premium for the representative as compensation for operating the pull card and selling the said merchandise. Said operator delivers the merchandise to the purchasers of tabs from said pull card in accordance with the list filled out when the tabs were detached from the pull card. Respondents sell and distribute various assortments of said merchandise and furnish various pull cards for use in the sale and distribution of such merchandise by means of a game of chance, gift enterprise, or lottery scheme. Such plans or methods vary in detail, but the above-described plan or method is illustrative of the principle involved.

PAR. 3. The persons to whom respondents furnish the said pull cards use the same in purchasing, selling, and distributing respondents' merchandise in accordance with the aforesaid sales plan. Respondents thus supply to and place in the hands of others the means of conducting a lottery in the sale of said merchandise in accordance with the sales plan hereinabove set forth. The use by respondents of said method in the sale of their merchandise, and the sale of such merchandise by and through the use thereof, and by the aid of said method, is a practice of the sort which is contrary to the established public policy of the Government of the United States and which is in violation of criminal laws.

PAR. 4. The sale of merchandise to the purchasing public in the manner above alleged involves a game of chance or the sale of a chance to procure an article of merchandise at a price much less than the apparent normal retail price thereof, and to procure an

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additional article of merchandise as a prize without additional cost. Many persons, firms, and corporations who sell and distribute merchandise in commerce as hereinabove defined in competition with the respondents as above alleged, are unwilling to adopt and use said method or any method involving a game of chance or the sale of a chance to win something by chance or any other method which is contrary to public policy, and such competitors refrain therefrom. Many persons are attracted by respondents' said method and by the element of chance involved in the sale of such merchandise in the manner above described and are thereby induced to buy and sell respondents' merchandise in preference to merchandise offered for sale and sold by said competitors of respondents who do not use the same or an equivalent method. The use of said method by respondents, because of said game of chance, has the capacity and tendency to and does unfairly divert trade and custom to respondents from their said competitors and to exclude from the novelty merchandise trade all competitors who are unwilling to and who do not use the same or an equivalent method because the same is unlawful. As a result thereof substantial injury is being and has been done to said competitors of respondent.

PAR. 5. In the course and conduct of their business as hereinabove related, respondents cause and have caused various false, deceptive, and misleading statements and representations to appear in their advertising matter as aforesaid, of which the following are examples but are not all-inclusive:

Free—Beautiful and Useful Gifts—Free.

2 Extra Surprise Gifts Free.

Beautiful, Useful Household Gifts at Absolutely No Cost.

Now Everyone Can Get a Valuable Prize Absolutely Free.

We Pay All Shipping Charges.

The effect of the foregoing false, deceptive, and misleading statements and representations of the respondents in selling and offering for sale such items of merchandise as hereinabove referred to is to mislead and deceive a substantial part of the purchasing public in the several States of the United States and in the District of Columbia, by inducing them to mistakenly believe (1) that respondents give away certain of their said articles of merchandise without cost to their said representatives, and (2) that respondents prepay all charges on all of their said articles of merchandise.

PAR. 6. In truth and in fact, none of respondents' premiums or so-called gifts are given away "free" or "without cost," but said premiums or so-called gifts which are represented as being "free" to said representatives are either purchased with labor by them, or

the price of said premium or so-called gift is included in the price of other articles of merchandise which the representatives must sell or procure the sale of before the said premiums or so-called gifts can be procured by them. For a number of premiums or so-called gifts, certain sums of money must be paid by said representatives in addition to the labor performed or services rendered by them. Respondents do not prepay all of the charges on their said products, but require the payment of certain specified sums of money as shipping charges on a number of respondents' said articles of merchandise.

PAR. 7. The use by respondents of the false, deceptive, and misleading statements and representations set forth herein has had, and now has, the capacity and tendency to mislead and deceive, and has misled and deceived, a substantial portion of the purchasing public into the erroneous belief that such statements are true, and into the purchase of substantial quantities of said respondents' products as the result of such erroneous belief. There are among the competitors of respondents, as mentioned in paragraph 1 hereof, manufacturers and distributors of like or similar products, who do not make such false, deceptive, and misleading statements concerning the method of sale and distribution of their products. By the statements aforesaid, trade is unfairly diverted to respondents from such competitors, and as a result thereof substantial injury is being done and has been done by respondents to competition in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 8. The aforesaid acts and practices of respondents as herein alleged are all to the prejudice of the public and of respondents' competitors, and constitute unfair methods of competition within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on May 10, 1938, issued, and thereafter served its complaint in this proceeding upon respondents Linwood Sales Co., Inc., and Bernard Abrams and Abe S. Willner, individually and as officers of Linwood Sales Co., Inc., charging them with the use of unfair methods of competition in commerce in violation of the provisions of said act. Thereafter, the respondents filed their answer, in which they admitted all of the material allegations of fact set forth in said complaint and waived all intervening procedure and further hearing as to said facts. Thereafter, the proceeding regularly came on for final hearing before the Commission on the complaint and the

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answer thereof, and the Commission having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Linwood Sales Co., Inc., is a corporation organized and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 101 Prince Street, New York, N. Y. Respondent Bernard Abrams is the president and respondent Abe S. Willner is the secretary-treasurer of the corporate respondent, both of whom have their offices at the same place of business as said corporation. The individual respondents direct and control the sales policies and business activities of the corporate respondent and all of said respondents act together and in cooperation with each other in doing the acts and things hereinafter alleged. Respondents are now, and for some time last past have been, engaged in the sale and distribution of razor blades, watches, china and silverware, clocks, cosmetics, dresser sets, umbrellas, bedding, and other articles of novelty merchandise in commerce between and among the various States of the United States and in the District of Columbia. Respondents cause and have caused said products, when sold, to be shipped or transported from their place of business in the State of New York to purchasers thereof located in States of the United States other than the State of New York and in the District of Columbia at their respective points of location. There is now, and has been for some time last past, a course of trade by said respondents in such merchandise in commerce between and among the various States of the United States and in the District of Columbia. In the course and conduct of said business, respondents are in competition with other corporations and individuals and with partnerships engaged in the sale and distribution of similar or like articles of merchandise in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 2. In the course and conduct of their business as described in paragraph 1 hereof, respondents sell and distribute said articles of merchandise by means of a game of chance, gift enterprise, or lottery scheme. Respondents distribute, or cause to be distributed, to their representatives and prospective representatives, certain advertising literature including, among other things, a sales circular. Respondents' merchandise is distributed to the purchasers thereof in the fol-

lowing manner: A portion of said sales circular consists of a list on which there are designated a number of items of merchandise and the respective prices thereof. Adjacent to the list is printed and set out a device commonly called a pull card. Said pull card consists of a number of tabs, under each of which is concealed the name of an article of merchandise and the price thereof. The name of the article of merchandise and the price thereof are so concealed that purchasers or prospective purchasers of the tabs or chances are unable to ascertain which article of merchandise they are to receive or the price which they are to pay until after the tab is separated from the card. When a purchaser has detached the tab and learned what article of merchandise he is to receive and the price thereof, his name is written on the list opposite the named article of merchandise. The purchaser pulling the tab calling for a certain article of merchandise is entitled to and receives said article of merchandise, together with an additional article of merchandise as a prize without additional cost. Some of said articles of merchandise have purported and represented retail values and regular prices greater than the prices designated for them, but are distributed to the purchaser for the price designated on the tab which he pulls. The apparent greater values and regular prices of some of said articles of merchandise as compared to the prices the customer would be required to pay in the event he secures said articles, together with the chance of securing the prize given without extra charge to the person securing a specified article, induces members of the purchasing public to purchase the tabs or chances in the hope that they will receive articles of merchandise having greater values and higher regular prices than the designated prices to be paid therefor. The fact as to which article of merchandise a purchaser receives, the amount to be paid, whether the article purchased is one which has greater value and a higher regular price than the amount to be paid, and whether the purchaser receives an additional article of merchandise as a prize without additional cost, are thus determined wholly by lot or chance.

When a person or representative operating a pull card has succeeded in selling all the tabs or chances, collected the amounts called for and remitted the said sums to the respondents, the said respondents thereupon ship to said representative the merchandise sold by means of said card, together with a premium for the representative as compensation for operating the pull card and selling the said merchandise. Said operator delivers the merchandise to the purchasers of tabs from said pull card in accordance with the list filled out when the tabs were detached from the pull card. Respondents sell and

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distribute various assortments of said merchandise and furnish various pull cards for use in the sale and distribution of such merchandise by means of a game of chance, gift enterprise, or lottery scheme. Such plans or methods vary in detail, but the above-described plan or method is illustrative of the principle involved.

PAR. 3. The persons to whom respondents furnish the said pull cards use the same in purchasing, selling, and distributing respondents' merchandise in accordance with the aforesaid sales plan. Respondents thus supply to and place in the hands of others the means of conducting a lottery in the sale of said merchandise in accordance with the sales plan hereinabove set forth. The use by respondents of said method in the sale of their merchandise, and the sale of such merchandise by and through the use thereof, and by the aid of said method, is a practice of the sort which is contrary to the established public policy of the Government of the United States and which is in violation of criminal laws.

PAR. 4. The sale of merchandise to the purchasing public in the manner above described involves a game of chance or the sale of a chance to procure an article of merchandise at a price much less than the apparent normal retail price thereof, and to procure an additional article of merchandise as a prize without additional cost. Many persons, firms, and corporations who sell and distribute merchandise in commerce as hereinabove defined in competition with the respondents as above described are unwilling to adopt and use said method or any method involving a game of chance or the sale of a chance to win something by chance or any other method which is contrary to public policy, and such competitors refrain therefrom. Many persons are attracted by respondents' said method and by the element of chance involved in the sale of such merchandise in the manner above described and are thereby induced to buy and sell respondents' merchandise in preference to merchandise offered for sale and sold by said competitors of respondents who do not use the same or an equivalent method. The use of said method by respondents, because of said game of chance, has the capacity and tendency to and does unfairly divert trade and custom to respondents from their said competitors and to exclude from the novelty merchandise trade all competitors who are unwilling to and who do not use the same or an equivalent method because the same is unlawful. As a result thereof substantial injury is being and has been done to said competitors of respondent.

PAR. 5. In the course and conduct of their business as hereinabove described, respondents cause and have caused various false, deceptive, and misleading statements and representations to appear in their ad-

vertising matter as aforesaid, of which the following are examples but are not all-inclusive:

Free—Beautiful and Useful Gifts—Free.

2 Extra Surprise Gifts Free.

Beautiful, Useful Household Gifts at Absolutely No Cost.

Now Everyone Can Get a Valuable Prize Absolutely Free.

We Pay All Shipping Charges.

The effect of the foregoing false, deceptive, and misleading statements and representations of the respondents in selling and offering for sale such items of merchandise as hereinabove referred to is to mislead and deceive a substantial part of the purchasing public in the several States of the United States and in the District of Columbia, by inducing them to mistakenly believe (1) that respondents give away certain of their said articles of merchandise without cost to their said representatives, and (2) that respondents prepay all charges on all of their said articles of merchandise.

PAR. 6. In truth and in fact, none of respondents' premiums or so-called gifts are given away "free" or "without cost," but said premiums or so-called gifts which are represented as being "free" to said representatives are either purchased with labor by them, or the price of said premium or so-called gift is included in the price of other articles of merchandise which the representatives must sell or procure the sale of before the said premiums or so-called gifts can be procured by them. For a number of premiums or so-called gifts, certain sums of money must be paid by said representatives in addition to the labor performed or services rendered by them. Respondents do not prepay all of the charges on their said products, but require the payment of certain specified sums of money as shipping charges on a number of respondents' said articles of merchandise.

PAR. 7. The use by respondents of the false, deceptive, and misleading statements and representations found herein has had, and now has, the capacity and tendency to mislead and deceive, and has misled and deceived, a substantial portion of the purchasing public into the erroneous belief that such statements are true, and into the purchase of substantial quantities of said respondents' products as the result of such erroneous belief. There are among the competitors of respondents, as mentioned in paragraph 1 hereof, manufacturers and distributors of like or similar products, who do not make such false, deceptive, and misleading statements concerning the method of sale and distribution of their products. By the statements aforesaid, trade is unfairly diverted to respondents from such competitors, and as a result thereof substantial injury is being done and has been done by re-

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spondents to competition in commerce between and among the various States of the United States and in the District of Columbia.

CONCLUSION

The aforesaid acts and practices of respondents as herein found are all to the injury and prejudice of the public and of respondents' competitors, and constitute unfair methods of competition within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondents, in which answer respondents admit all material allegations of fact set forth in said complaint and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents Linwood Sales Co., Inc., its officers, and Bernard Abrams and Abe S. Willner, individually, their respective representatives' agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of razor blades, watches, china and silverware, clocks, cosmetics, dresser sets, umbrellas, bedding, or any other articles of merchandise in commerce as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Supplying to or placing in the hands of others, pull cards or circulars having pull tabs thereon or other lottery devices for the purpose of enabling such persons to dispose of or sell any merchandise by the use thereof.

2. Mailing, shipping, or transporting to their agents or to distributors or to members of the public pull cards or circulars having pull tabs thereon or other lottery devices so prepared or printed as to enable said persons to sell or distribute any merchandise by the use thereof.

3. Selling or otherwise disposing of any merchandise by the use of pull cards or circulars having pull tabs thereon or any other lottery device.

4. Using the terms "free" or "without cost" or any other terms of similar import or meaning to describe or refer to merchandise offered as compensation for distributing respondents' merchandise

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unless all of the terms and conditions of such offer are clearly and unequivocally stated in equal conspicuousness and in immediate connection or conjunction with the terms "free" or "without costs," or any other terms of similar import or meaning and there is no deception as to the price, quality, character, or any other feature of such merchandise, or as to the services to be performed in connection with obtaining such merchandise.

It is further ordered, That the respondents shall within 60 days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF
**PREMIO SALES COMPANY, INC., AND ROSE SOMMERS,
INDIVIDUALLY AND AS AN OFFICER OF PREMIO
SALES COMPANY, INC.**

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

Docket 8489. Complaint, July 12, 1938—Decision, Feb. 7, 1939

Where a corporation and an individual, president and treasurer and principal stockholder thereof, who formulated, controlled, and directed its practices and policies, acting together and in cooperation and engaged in sale and distribution of clocks, watches, cameras, silverware, and various other articles of merchandise to purchasers in the various States and in the District of Columbia, in competition with others engaged in similar sale and distribution of similar or like articles—

- (a) Distributed to representatives and prospective representatives, in selling and distributing their said articles of merchandise by means of a game of chance, gift enterprise, or lottery scheme, among other advertising literature, sales circulars consisting of lists on which were designated a number of items of merchandise and prices thereof, and pull card for distribution of said products under a plan or scheme in accordance with which particular article of merchandise and price to be paid therefor and value or apparent value to be secured were dependent upon matter disclosed by removal of particular tab of card selected by chance by customer, and operator of card was compensated by premium for sale of merchandise, and thereby supplied to and placed in the hands of others means of conducting lotteries in the sale of their merchandise in accordance with aforesaid or other similar sales plan, involving game of chance or sale of a chance to procure an article of merchandise at a price much less than apparent normal retail price thereof, contrary to an established public policy of the United States Government, and in violation of criminal laws, and in competition with many who are unwilling to adopt and use said or any method involving game of chance or sale of a chance to win by chance, or any method contrary to public policy, and refrain therefrom;

With result that many were attracted by their said method and element of chance involved in sale of such merchandise as above described and were thereby induced to buy and sell their said merchandise in preference to that offered and sold by said competitors who do not use same or equivalent method and substantial trade and custom were unfairly diverted to them from their competitors aforesaid;

- (b) Caused to appear in their advertising matter such statements as "EXTRA SPECIAL SURPRISE GIFT WORTH HAVING FREE," "How to GET YOUR FREE GIFTS," and "FREE—GIFTS FOR ALL—FREE"; facts being none of their so-called premiums or gifts were given away free or without cost but such so-called premiums or gifts thus represented as free or without cost to the said representatives were either purchased with their labor or prices thereof were included in the prices of other articles of merchandise which they had to sell or procure sale of before said so-called premiums or gifts could be procured by them;