

Order

IN THE MATTER OF
ARMY AND NAVY TRADING COMPANY

MODIFIED CEASE AND DESIST ORDER

Docket 2285. Order, Mar. 13, 1940

Modified order, pursuant to provisions of Section 5 (i) of Federal Trade Commission Act, in proceeding in question, in which (1) original order issued on November 26, 1935, 21 F. T. C. 541, and in which (2) Court of Appeals for District of Columbia, on January 4, 1937, in *Federal Trade Commission v. Army and Navy Trading Co.*, 88 F. (2d) 776, 24 F. T. C. 1601, rendered its opinion and issued its order modifying Commission's order in certain particulars and affirming same in certain particulars—

Requiring, in view of said facts and further fact that more than two years have elapsed since original order with proviso permitting, for said period, certain use of words "Formerly Army and Navy Trading Company," that respondent corporation cease and desist from using, in connection with its corporate name, words "Army and Navy" or either of them, and from advertising, as below in detail set forth, and subject to provisions therein stated, words "Army or Navy" as descriptive of or in connection with their merchandise.

MODIFIED ORDER TO CEASE AND DESIST

This proceeding coming on for further hearing before the Federal Trade Commission and it appearing that on November 26, 1935, the Commission made its findings as to the facts herein and concluded therefrom that respondent had violated the provisions of Section 5 of the Federal Trade Commission Act and issued and subsequently served its order to cease and desist; and it further appearing that on January 4, 1937, the United States Court of Appeals for the District of Columbia rendered its opinion and issued its order modifying the aforesaid order of the Commission in certain particulars and affirming said order in other particulars; and it still further appearing that the aforesaid order to cease and desist issued by the Commission contained a proviso that for a period of 2 years from the date of the service thereof, the respondent was permitted to use in connection with such corporate or trade name as it might assume the words "Formerly Army and Navy Trading Company," and that more than 2 years have elapsed since the date of the service of the Commission's order to cease and desist.

Now, therefore, Pursuant to the provisions of subsection (i) of section 5 of the Federal Trade Commission Act, the Commission issues this its modified order to cease and desist in conformity with the said Court order:

Order

30 F. T. C.

It is now ordered, That the respondent Army and Navy Trading Company, in connection with the conduct of its mercantile establishment within the District of Columbia, cease and desist from:

1. Using in connection with its corporate name the words "Army and Navy" or either of them.

2. Advertising or causing to be advertised by means of radio broadcasts or in any circulars, trade journals, daily newspapers, or other periodicals the words "Army or Navy," or either of them, as descriptive of, or in connection with, any merchandise offered for sale or sold to the public, unless in fact such merchandise was actually procured, directly or indirectly, from the War or Navy departments of the United States; provided, however, that the words "Army and Navy," or either of them, may be used as descriptive of particular lots of merchandise made for the War or Navy departments, or according to Army and Navy specifications, if the origin and character of the particular lot of merchandise and its exact relationship to the Army or Navy is accurately specified and stated in type equally as conspicuous as the words "Army and Navy" and in immediate conjunction therewith.

It is further ordered, That the respondent shall, within 30 days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with this order.

Syllabus

IN THE MATTER OF

AMERICAN VENEER PACKAGE ASSOCIATION, INC., EAST-
ERN PACKAGE ASSOCIATION, SOUTHERN PACKAGE
ASSOCIATION, INC., THE STEVENSON CORPORATION,
AND CHARLES R. STEVENSON 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 3556. Complaint, Aug. 25, 1938—Decision, Mar. 15, 1940

Where three local trade groups and members, manufacturers of veneer containers, in the formation of which, in the latter part of 1935 and the early part of 1936, American Veneer Package Association, with membership comprising many of the larger or more important members of the industry, cooperated and assisted for the more effective self-regulation of the industry, and which three local trade groups included (1) Georgia Association, composed of larger and principal manufacturers of veneer containers in said and southern States, (2) Eastern Package Association, made up of manufacturers of veneer containers in New Jersey, Pennsylvania, Delaware, and contiguous territory, and (3) North and South Carolina Veneer Association, made up of principal manufacturers making and selling veneer containers in said States; by and with the active assistance and cooperation of said American Association and its officers, and acting within and for their respective territories—

- (a) Discussed, at open meetings, and agreed upon, prices, conditions, terms of sale and discounts, and entered into and executed contracts and agreements which resulted in the fixing of such prices, etc., relative to the sale and distribution of veneer containers used in packaging fruits and vegetables, and, in certain cases, made f. o. b. prices and delivered prices same, and revised prices of one group, so as to be in harmony with those of another, and in certain situations to meet condition brought about by shipments from State of Texas into territory involved of products in question at substantially lower prices as result of high price level fixed, and following effort to induce Texas manufacturers to protect prices filed and agreed upon by particular trade group here involved, and in such general connection and among other things, took measures designed to meet price-disrupting factor involved in sale of No. 2 baskets;
- (b) Executed written membership contracts between the various members and their respective associations which set forth terms and conditions of sale and charges for various items and dealer discounts, and which defined as dealer one who sold product and guaranteed and collected account but did not haul or warehouse and for whom manufacturer made delivery, and distributor or jobber as one who sold product and guaranteed and collected account and in addition thereto warehoused and delivered product, and which limited discount of former to 5 percent, and provided for latter additional 5 percent; and
- (c) Voted on lists submitted by various manufacturing members of persons or firms submitted to manufacturer's respective association as entitled,