

Complaint

IN THE MATTER OF
JAEGER SHOP, INC.COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 5210. Complaint, Aug. 29, 1944—Decision, Apr. 19, 1945*

Where the brand name "Jaeger" had become well and favorably known in the trade and by the purchasing public, and fine woolen garments, including women's sweaters, coats, suits and dresses made and sold since 1883 by "Jaeger Limited of London" and its subsidiaries had been imported into and extensively sold in the United States and had a well established reputation for quality therein; and thereafter a New York corporation with office and principal place of business in Saranac, engaged in the interstate sale and distribution of women's sportswear, including sweaters, coats and suits—

Made use of the word "Jaeger" in its corporate name and as a trade name on circulars, price lists and other advertising matter and featured the name in its circulars, letterheads and advertising, through such statements as "JAEGER sweaters of fine British wools"; "JAEGER SWEATERS OF IMPORTED YARNS"; "JAEGER Skirt and Sweater Shop"; "JAEGER Saranac Lake, New York"; "JAEGER seventy-six Main St. Saranac Lake, New York"; and "Handsome Tweeds * * * Jaeger Shop, Inc."; notwithstanding the fact it had never been connected or in any way associated with the firms of "Jaeger Limited of London" and the garments sold by it were not manufactured by "Jaeger Limited" or its subsidiaries;

With the capacity to deceive and mislead, and with effect of misleading and deceiving, members of the purchasing public into the belief that its garments were the products of "Jaeger Limited of London" or its subsidiaries, and, as a result, of inducing them to purchase substantial quantities thereof:

Held, That said acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Mr. J. W. Brookfield, Jr. 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 Jaeger Shop, Inc., a corporation, hereinafter referred to as respondent, has violated the provisions of said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. The respondent, Jaeger Shop, Inc., is a corporation, organized and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 76 Main Street in the city of Saranac, N. Y. Respondent is now, and for more than two years last past has been, engaged in the sale and distribution of women's sportswear, including sweaters, coats and suits. Respondent causes its garments, when sold, to be shipped or transported from its afore-

said place of business in the State of New York to the purchasers thereof at their respective points of location in various other States of the United States and in the District of Columbia. Respondent maintains and at all times mentioned herein has maintained a course of trade in said women's garments in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 2. Since 1883, The Jaeger Co., Ltd. of London and its subsidiaries have been engaged in the manufacture and sale of fine woolen garments, including women's sweaters, coats, suits and dresses, which have been imported into the United States where they have been extensively sold to members of the purchasing public. Such garments are well-known by the purchasing public and, as the brand name Jaeger is well and favorably known in the trade and by the purchasing public, have a well-established reputation for quality in the United States.

PAR. 3. In the course and conduct of its business and for the purpose of inducing the purchase of its garments, the respondent has made use of the word "Jaeger" as a trade name on circulars, price lists and other advertising matter distributed by United States mail to the purchasing public and by advertisements inserted in magazines and periodicals having a general circulation.

Included in such circulars and advertisements distributed as aforesaid are the following statements:

JAEGER sweaters of fine British wools;
JAEGER SWEATERS OF IMPORTED YARNS;
JAEGER Skirt and Sweater Shop;
JAEGER Saranac Lake, New York;
JAEGER seventy-six Main St., Saranac Lake, New York;
Handsome Tweeds * * * Jaeger Shop, Inc.

In all of its circulars, letterheads and printed advertising respondent has caused the word "Jaeger" to be more prominently displayed than the other parts of said advertising.

PAR. 4. Respondent is not now, and has not at any time been, connected with or in any way associated with the firm of Jaeger Limited of London or any of its subsidiaries, and the garments sold by it are not manufactured by Jaeger, Ltd., or its subsidiaries.

PAR. 5. The use by the respondent of the name "Jaeger" as a part of its corporate name and the designation of the garments sold by it as "Jaeger" garments is deceptive and misleading and it has had and now has the capacity to deceive and mislead; and it has deceived and misled members of the purchasing public into the belief that respondent's garments are the products of Jaeger Limited of London or its subsidiaries, and as a result of such erroneous belief the public has been induced to purchase substantial quantities of respondent's garments.

PAR. 6. The aforesaid acts and practices of the respondent, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 29, 1944, issued and thereafter

served its complaint in this proceeding upon respondent, Jaeger Shop, Inc., a corporation, charging it with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. On October 14, 1944, the respondent filed its answer, in which answer it admitted all 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 said complaint and the answer thereto, 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 its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondent, Jaeger Shop, Inc., is a corporation, organized and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 76 Main Street in the city of Saranac, N. Y. Respondent is now, and for more than two years last past has been, engaged in the sale and distribution of women's sportswear, including sweaters, coats and suits. Respondent causes its garments, when sold, to be shipped or transported from its aforesaid place of business in the State of New York to the purchasers thereof at their respective points of location in various other States of the United States and in the District of Columbia. Respondent maintains and at all times mentioned herein has maintained a course of trade in said women's garments in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 2. Since 1883, the Jaeger Co., Ltd. of London and its subsidiaries have been engaged in the manufacture and sale of fine woolen garments, including women's sweaters, coats, suits and dresses, which have been imported into the United States where they have been extensively sold to members of the purchasing public. Such garments are well-known by the purchasing public, and, as the brand name Jaeger is well and favorably known in the trade and by the purchasing public, have a well-established reputation for quality in the United States.

PAR. 3. In the course and conduct of its business and for the purpose of inducing the purchase of its garments, the respondent has made use of the word "Jaeger" as a trade name on circulars, price lists and other advertising matter distributed by United States mail to the purchasing public and by advertisements inserted in magazines and periodicals having a general circulation.

Included in such circulars and advertisements distributed as aforesaid are the following statements:

JAEGER sweaters of fine British wools;
JAEGER SWEATERS OF IMPORTED YARNS;
JAEGER Skirt and Sweater Shop;
JAEGER Saranac Lake, New York;
JAEGER seventy-six Main St. Saranac Lake, New York;
Handsome Tweeds * * * Jaeger Shop, Inc.

In all of its circulars, letterheads and printed advertising respondent has caused the word "Jaeger" to be more prominently displayed than the other parts of said advertising.

Order

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PAR. 4. Respondent is not now, and has not at any time been, connected with or in any way associated with the firm of Jaeger Limited of London or any of its subsidiaries, and the garments sold by it are not manufactured by Jaeger, Ltd., or its subsidiaries.

PAR. 5. The use by the respondent of the name "Jaeger" as a part of its corporate name and the designation of the garments sold by it as "Jaeger" garments are deceptive and misleading and have had and now have the capacity to deceive and mislead; and they have deceived and misled members of the purchasing public into the belief that respondent's garments are the products of Jaeger, Limited, of London or its subsidiaries, and as a result of such erroneous belief the public has been induced to purchase substantial quantities of respondent's garments.

CONCLUSION

The aforesaid acts and practices of the respondent, as herein found, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce 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 respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that it waives all intervening procedure and further hearing as to said facts; and the Commission having made its findings as to the facts and conclusion that the said respondent has violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondent, Jaeger Shop, Inc., a corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, and distribution of its women's garments in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Jaeger" as a part of its corporate or trade name unless accompanied by a statement in equally conspicuous type to the effect that respondent is not connected with Jaeger, Ltd., of London.

2. Representing directly or by implication that the respondent is a part of, or is in any way connected with, Jaeger, Ltd., of London or any of its subsidiaries or that the garments sold by respondent are manufactured by Jaeger, Ltd., of London or any of its subsidiaries.

3. Directly or indirectly using or causing to be used the word "Jaeger" in any way which may have the tendency and capacity to confuse, mislead, and deceive the purchasing public into the belief that the respondent is associated or connected with or a part of Jaeger, Ltd., of London.

It is further ordered, That the respondent shall, within 60 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 STEEL AND WIRE COMPANY OF
NEW JERSEY, 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 4802. Complaint, Aug. 6, 1942—Decision, Apr. 20, 1945

Where (1) a corporation engaged in the manufacture and interstate sale and distribution of steel products, including wire and chain-link fencing, and the Philadelphia agent of its fence division, whose practice it was to keep informed concerning projects, particularly in his vicinity, which would require the use of his employer's steel products, obtaining specifications and calculating therefrom the cost of labor and materials, and in the case of large jobs involving special features requiring technical skill and complicated calculations, forwarding the proposed quotations or bids to his superiors for study before finally submitting them; (2) an individual trading as A-C Co., engaged at said city in the sale of wire and other metal fencing and his agent, in competition with the aforesaid corporation and others except insofar as said competition had been hindered, as below set forth; (3) a general contractor engaged in construction work at said city, and, during period concerned, engaged directly or through his two agents in negotiating with and buying products in question from said corporation and others in competition with it;

Following arrangements, during 1940, by the Navy with the Cramp Shipbuilding Company for the construction by the latter of naval vessels, under which the Navy assumed responsibility for the cost of the acquisition and installation of emergency plant facilities at the Cramp Shipyards, required to expedite the national defense program, with the understanding that the expenditure of the said funds for such work would be under the general supervision of, and subject to the approval of, Navy officials; the making of a contract by said corporation with said contractor, pursuant to which he was to undertake certain work in the rehabilitation of the shipbuilding yards of said company at Philadelphia; and following submission to said contractor—who was fully informed that the work to be done by him was in connection with a Navy contract and understood that he was required to obtain the approval of said Company of all costs incurred by him in the performance of his contract and was required to submit a minimum of three competitive bids on all work let to sub-contractors,—by aforesaid agent acting in behalf of the fence division of said corporation, of a bid to furnish and erect certain wire panels for the front of transformers for 59¢ per square foot—

Combined, agreed, and conspired to restrain, and suppress competition in the purchase and sale of the steel products in question in commerce by maintaining a false appearance of competition, and conveying to buyers and prospective buyers, including official awarding authorities of the United States Government, the impression that said corporation and the A-C Co. were rival bidders and competitors when, in fact, they were acting collusively in the submitting of bids; and

Where said contractor, in furtherance of aforesaid combination and conspiracy—

(1) Informed said corporate agent orally that the contract for the installation of said chain-link fencing was awarded to his corporation but asked another bid since he, said contractor, had secured but one other bid and wanted three; and,

Where said agent, in accordance with the request of said contractor's agent—

(2) Requested aforesaid agent of A-C Co. to submit a complimentary bid, prepared