

Complaint

42 F. T. C.

IN THE MATTER OF

FOOD DISPLAY MACHINE CORPORATION, TRADING AS
RAZOROLL COMPANY; AND ADAM H. KULIKOWSKICOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 5308. Complaint, Apr. 23, 1945—Decision, June 10, 1946*

Where a corporation and its president, engaged in the interstate sale and distribution of a safety razor blade sharpener designated "Razoroll"; through statements in advertisements in magazines and newspapers, directly and by implication—

Falsely represented that their said razor-blade sharpener would enable the user to obtain 730 shaves from 1 razor blade, make razor blades give extraordinary or miraculous use, eliminate the necessity for changing blades or purchasing new blades, and automatically held the blades at the correct angle and pressure, thereby eliminating the necessity for hand adjustment of blades;

With capacity and tendency to deceive and mislead a substantial portion of the purchasing public into the erroneous belief that their said representations were true and thereby into the purchase of substantial quantities of their said product:

Held, That such acts and practices were all to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Randolph Preston*, trial examiner.

Mr. J. W. Brookfield, Jr., for the Commission.

Nash & Donnelly, of Chicago, Ill., for respondents.

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 Food Display Machine Corp., a corporation, trading as Razoroll Co., and Adam H. Kulikowski, individually and as president of said corporation, hereinafter referred to as respondents, have violated the provisions of 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 Food Display Machine Corp. is a corporation organized, existing, and doing business under the laws of the State of Illinois, with its principal office and place of business located at 620 North Michigan Avenue, in the city of Chicago, Ill. Said corporation also trades as Razoroll Co. Individual respondent Adam H. Kulikowski is president of respondent Food Display Machine Corp.,

and has his place of business at 620 North Michigan Avenue, in the city of Chicago, Ill. Respondent Adam H. Kulikowski in his capacity as president formulates, directs, and controls the policies, acts, and practices of the said corporate respondent and participates therein.

PAR. 2. Respondents are now, and for more than 1 year last past have been, engaged in the sale and distribution of a safety-razor blade sharpener designated "Razoroll." Respondents cause said product, when sold, to be shipped from their place of business in the State of Illinois to purchasers thereof at their various points of location in other States of the United States and in the District of Columbia.

Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their safety-razor blade sharpener, respondents have published and caused to be published in magazines and newspapers having a general circulation in the United States of America the following statements:

730 SHAVES FROM 1 BLADE

New sharpener for all makes of double-edge razor blades performs miracles!
"Not necessary to change blades."

RAZOROLL really sharpens blades because it sirops on leather.

No guesswork. Blade held at correct angle and proper pressure—automatically.
Will last years.

PAR. 4. Through the use of said statements and representations, and other statements and representations similar thereto and not set out herein, respondents represent, directly and by implication, that their said razor-blade sharpener will enable the user to obtain 730 shaves from 1 razor blade, make razor blades give extraordinary or miraculous use, and will eliminate the necessity for changing blades or purchasing new blades; and that said razor-blade holder is automatic and automatically holds the blades at the correct angle and pressure, thereby eliminating the necessity for hand adjustment of the blades.

PAR. 5. In truth and in fact the use of respondents' razor-blade sharpener will not permit the average user to obtain 730 or any other large number of shaves from 1 razor blade, or enable one to obtain any extraordinary or miraculous service from razor blades, and will not eliminate the necessity for changing razor blades, or purchasing new ones. Respondents' said sharpener is not automatic and its efficiency depends upon the blade being held at the proper pressure while it is being stropped. Respondents' razor-blade sharpener cannot be depended upon to give years of service.

PAR. 6. The use by the respondents of the aforesaid acts and prac-

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tices has had and now has the capacity and tendency to deceive and mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that respondents' said statements and representations are true. As a result of the erroneous and mistaken beliefs so engendered, substantial numbers of the public have purchased substantial quantities of respondents' said product in commerce between and among the several States of the United States and in the District of Columbia.

PAR. 7. The aforesaid acts and practices of the respondents 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 Act.

REPORTS, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on April 23, 1945, issued and subsequently served its complaint in this proceeding upon respondents Food Display Machine Corp., a corporation, trading as Razorroll Co., and Adam H. Kulikowski, individually and as president of Food Display Machine Corp., charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said act. Respondents duly filed their answer and thereafter a stipulation as to the facts in the case was entered into upon the record between counsel for the Commission and counsel for the respondents whereby it was stipulated and agreed that, subject to the approval of the Commission, the stipulated facts may be taken as the facts in this proceeding and in lieu of testimony in support of the charges stated in the complaint or in opposition thereto, and that the said Commission may proceed upon said stipulated facts to make its report stating its findings as to the facts and its conclusion based thereon and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs. Respondents specifically waived the filing of a trial examiner's report. Thereafter, this proceeding regularly came on for final hearing before the Commission on said complaint, answer, and stipulated facts, said stipulation having been approved by the Commission; and the Commission, having duly considered the same 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.

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FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Food Display Machine Corp. is a corporation organized, existing, and doing business under the laws of the State of Illinois, with its principal office and place of business located at 620 North Michigan Avenue, Chicago, Ill. Said corporation also trades as Razoroll Co. The individual respondent, Adam H. Kulikowski, is president of respondent Food Display Machine Corp., and has his place of business at 620 North Michigan Avenue, Chicago, Ill. Respondent Adam H. Kulikowski, in his capacity as president of the corporate respondent, formulates, directs, and controls the policies, acts, and practices of the said corporate respondent and participates therein.

PAR. 2. Respondents are now, and for more than 1 year last past have been, engaged in the sale and distribution of a safety-razor blade sharpener designated "Razoroll." Respondents cause said product, when sold, to be shipped from their place of business in the State of Illinois to purchasers thereof at their various points of location in other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said product in commerce between and among various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their aforesaid business, and for the purpose of inducing the purchase of their said safety razor-blade sharpener, respondents have published and caused to be published in magazines and newspapers having a general circulation in the United States of America the following statements:

730 SHAVES FROM 1 BLADE.

* * * * *

New sharpener for all makes of double-edge razor blades performs miracles!
 "Not necessary to change blades."

* * * * *

RAZOROLL really sharpens blades because it stops on leather.

* * * * *

No guesswork. Blade held at correct angle and proper pressure—automatically.

* * * * *

Will last years.

PAR. 4. Through the use of said statements and representations, and other statements and representations similar thereto and not set out herein, respondents represent, directly and by implication, that their said razor-blade sharpener will enable the user to obtain 730 shaves from 1 razor blade, will make razor blades give extraordinary or miraculous use, and will eliminate the necessity for changing blades or purchasing new blades; and that said razor-blade holder is automatic and automatically holds the blades at the correct angle and pressure, thereby eliminating the necessity for hand adjustment of the blades.

PAR. 5. In truth and in fact the use of respondents' razor-blade sharpener will not permit the average user to obtain 730 or any other large number of shaves from 1 razor blade, or enable one to obtain any extraordinary or miraculous service from razor blades, and will not eliminate the necessity for changing razor blades or purchasing new ones. Respondents' said sharpener is not automatic, and its efficiency depends upon the blade being held at the proper pressure while it is being stropped. Respondents' razor-blade sharpener cannot be depended upon to give years of service.

PAR. 6. The use by the respondents of the aforesaid false and misleading statements and representations has had, and now has, the capacity and tendency to deceive and mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that respondents' said statements and representations are true and, as a result thereof, into the purchase of substantial quantities of respondents' said product.

CONCLUSION

The aforesaid acts and practices of the respondents 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, the answer of respondents, and a stipulation as to the facts entered into upon the record between counsel for the Federal Trade Commission and counsel for the respondents, which provides, among other things, that the Commission may proceed upon said statement of facts to make its report stating its findings as to the facts (including inferences which it may draw

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from said stipulated facts) and its conclusion based thereon and enter its order disposing of the proceeding without the presentation of argument or the filing of briefs, and which waives the filing of a report upon the evidence by the trial examiner, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondents, Food Display Machine Corp., a corporation trading under the name Razoroll Co., or under any other name, its officers, representatives, agents, and employees, and Adam H. Kulikowski, his representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of razor-blade sharpeners in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing:

1. That their said razor-blade sharpener will enable the user thereof to obtain over 700 shaves from 1 razor blade, or any number in excess of that which can be regularly obtained through the normal use of the average razor blade.

2. That the use of said device makes razor blades give extraordinary or miraculous service; or will eliminate the necessity for changing blades or purchasing new blades.

3. That the razor-blade holder of said device is automatic or automatically holds the blades at the correct angle and pressure and thereby eliminates the necessity for hand adjustment of the blades.

4. That respondents' razor-blade sharpener can be depended upon to give years of service.

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.

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42 F. T. C.

IN THE MATTER OF

UNION FISHERMEN'S CO-OPERATIVE PACKING
COMPANY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SUBSEC. (c) OF SEC. 2 OF AN ACT OF CONGRESS APPROVED OCT. 15, 1914,
AS AMENDED BY AN ACT APPROVED JUNE 19, 1936

Docket 5420. Complaint, Feb. 13, 1946—Decision, June 14, 1946

Where a corporation engaged in the packing and interstate sale and distribution of canned Columbia River salmon, tuna fish, and other sea-food products, selling such products (1) through legitimate intermediaries who acted as its agents and to whom it paid commissions and brokerage fees, and (2) to "direct buyers" who transmitted their purchase orders directly to it, and who although designating themselves as "brokers" were not such, but operated contrary to the manner in which a broker operates, purchasing and selling in their own names and for their own accounts, warehousing and insuring the products etc., and taking title and assuming all risks incident to ownership—

Paid or granted to such direct buyers, directly or indirectly, commissions, brokerage or other compensation or allowances or discounts in lieu thereof on their own purchases made in their own names and for their own accounts for resale:

Held, That such paying and granting by it of commissions, etc., to direct buyers of its sea-food products, was in violation of subsection (c) of section 2 of the Clayton Act as amended.

Mr. Edward S. Ragsdale for the Commission.

Norblad & Norblad, of Astoria, Oreg., for respondent.

COMPLAINT

The Federal Trade Commission, having reason to believe the party respondent named in the caption hereof and hereinafter more particularly designated and described, since June 19, 1936, has violated and is now violating the provisions of subsection (c) of section 2 of the Clayton Act (U. S. C. title 15, sec. 13) as amended by the Robinson-Patman Act, approved June 19, 1936, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Union Fishermen's Co-Operative Packing Co., is a corporation, organized and existing under the laws of the State of Oregon, with its principal office and place of business located at Astoria, Oreg.

PAR. 2. The respondent, since June 19, 1936, has been, and is now, engaged in the business of packing, selling, and distributing canned Columbia River salmon, canned Columbia River tuna fish, and other