

IN THE MATTER OF

ELGIN RAZOR CORPORATION ET AL.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914

Docket 4458. Complaint, Feb. 4, 1941—Decision, Aug. 14, 1947

Where certain trade names, namely, the words "Elgin," "Hamilton," "Remington," and "Underwood," which were the property of four manufacturers of precision instruments, including watches, typewriters, bookkeeping machines, etc., and were a part of said manufacturers' respective corporate names, had been widely advertised, and had come to be well and favorably known throughout the United States and to be associated by the public with the respective companies and their products, for which there a preference on the part of a substantial portion of such public; and thereafter

A corporate and individual group, which was engaged in the manufacture and competitive interstate sale and distribution of novelty merchandise, including electric shavers, cameras, sunlamps, talking machines, electric clocks and electric lighters, and which included (1) five corporations, and a husband and wife, and their son and nephew, who were stockholders, officers and directors of said corporations, and directed and carried on the acts and practices herein concerned—operating at various times under numerous trade names including the names "Keen Manufacturing Company," "Razor Service Co.," "General Chromium and Copper Company," and "Utility Manufacturing Company"—in addition to two other stockholders who participated actively in the practices in question; and (2) three corporations, and the daughter and son-in-law of the couple above referred to, who, along with three others, were stockholders, officers and directors of one or more of said corporations, and also participated actively in the practices below set out—

- (a) Adopted and used for their products, including particularly their electric shavers and cameras, aforesaid well-known and long-established trade names, imprinted them upon certain of the products themselves and on the cartons in which they were packaged and sold, and featured the names in the advertising literature distributed among prospective purchasers and in newspaper advertisements published in many cities and towns throughout the United States; and
- (b) Included in the names of the three corporations first referred to—set forth upon their products and cartons and in their advertisements—the words "Elgin" or "Underwood";

With the result that by reason of their wrongful and unauthorized use of aforesaid names, and attempts to capitalize thereon, numerous persons purchased their products as and for those of the companies, whose names they thus made use of;

- (c) Falsely represented that their electric shaver usually and regularly sold at retail at \$15, through use of price tags reading \$15 attached thereto, and through similar representations in newspapers and other advertising

media, and that the actual and much smaller retail prices therefor, such as \$1.50, \$1.92, \$2.98, etc., were special or reduced prices and were applicable for a limited period only;

- (d) Represented through issuance of purported "guarantee certificates" and otherwise, that their shavers were guaranteed against defective workmanship and material, and that if found defective they would be repaired without cost to the purchasers, except for a charge of 25 cents, to cover postage and handling;

Notwithstanding the fact they did not carry out such purported guarantee but customarily required purchasers to pay various amounts over and above the 25 cents stated therein;

- (e) Falsely represented that their cameras were "candid type" cameras; that is, equipped with special lenses and shutters and capable of taking action pictures under very unfavorable light conditions; and

- (f) Falsely represented through use of the word "laboratories" in corporate name of one of the corporations, that it maintained a laboratory for the purpose of testing and experimenting with its products;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public, and thereby to cause it to purchase substantial quantities of their products; and with the result of placing in the hands of dealers means for misleading the public; whereby substantial trade was diverted to the corporations and individuals concerned from their competitors:

Held. That such acts and practices, under the circumstances set forth, were all to the prejudice of competitors and the public, and constituted unfair methods of competition in commerce and unfair and deceptive acts and practices therein.

Before *Mr. Randolph Preston*, trial examiner.

Mr. Carrel F. Rhodes and *Mr. Edward L. Smith* for the Commission.

Mr. James R. McKnight and *Nash & Donnelly*, of Chicago, Ill., for Elgin Razor Corp., Underwood Laboratories, Inc., and Underwood Industries, Inc.

Mr. Henry H. Koven and *Nash & Donnelly*, of Chicago, Ill., for Match King, Inc.

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 Elgin Razor Corp., Underwood Laboratories, Inc., Underwood Industries, Inc., Match King, Inc., The Monarch Manufacturing Co., the American Super-craft Corp., the American Camera Corp., Electric Clock Corp. of America, the Keen Manufacturing Co., Razor Service Co., General Chromium & Copper Co., Utility Manufacturing Co., corporations, and Henry T. Schiff, Frances R. Schiff, Robert M. Schiff, Benjamin A. Schiff, Jack Galter, Dora M. Galter, William Galter, Harry C. Fein-

Complaint

44 F. T. C.

berg, Robert D. Schoenbrod, Arnold F. Shapiro, Albert I. Leight, Ed. Cohan, individuals, hereinafter designated and referred to as respondents, have violated the provisions of the said Act, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Elgin Razor Corp. is an Illinois corporation with its offices and principal place of business at 800 Clark Street and 429 South Ashland Boulevard, Chicago, Ill. Said corporation was created under the laws of the State of Illinois on April 16, 1937, by amendment to the charter of The Shavemaster, Inc. The officers, directors, and agents of said corporation are the following named respondents: Henry T. Schiff, president and director; Frances R. Schiff, vice president and director; Robert M. Schiff, secretary and director; Benjamin A. Schiff, vice president and director.

Respondent Underwood Laboratories, Inc., is an Illinois corporation with offices and principal place of business at 207 East Ohio Street and 711 West Lake Street, Chicago, Ill. Said corporation was created under the laws of the State of Illinois, November 15, 1939, by amendment to the charter of the Elgin Laboratories, Inc. The offices, directors, and agents of said corporation are the following named respondents: Henry T. Schiff, president, treasurer, and director; Frances R. Schiff, secretary and director; Benjamin A. Schiff, vice president, agent, and director.

Respondent Underwood Industries, Inc., is a corporation which was chartered under the laws of the State of Illinois October 25, 1938. It has its office and principal place of business at 711 West Lake Street, Chicago, Ill. The officers, directors, and agents of said corporation are the following named respondents: Henry T. Schiff, president, treasurer, and director; Frances R. Schiff, vice president and director; Robert M. Schiff, secretary and director.

Respondent Match King, Inc., is an Illinois corporation with its office and principal place of business at 711 West Lake Street, Chicago, Ill. Said corporation was chartered under the laws of the State of Illinois on May 16, 1933. The officers, directors and agents of said corporation are the following named respondents: Jack Galter, president and director; Dora M. Galter, vice president and director; William Galter, secretary, treasurer, and director.

Respondent the Monarch Manufacturing Co. was chartered as an Illinois corporation on the 25th day of January 1938, and respondent individuals Jack Galter, William Galter, and Dora M. Galter are now

operating under that trade name with offices and principal place of business located at 711 West Lake Street, Chicago, Ill. The officers, directors and agents of the corporation the Monarch Manufacturing Co. were Jack Galter, William Galter and Dora M. Galter.

Respondents the American Supercraft Corp., is an Illinois corporation with its office and principal place of business at 711 West Lake Street, Chicago, Ill. Said corporation was incorporated September 22, 1939. The officers, directors and agents of said corporation are the following named respondents: Harry C. Feinberg, president and director; Robert D. Schoenbrod, vice president and director; Arnold F. Shapiro, treasurer and director.

Respondent the American Camera Corp. is an Illinois corporation with its office and principal place of business at 711 West Lake Street, Chicago, Ill. It was incorporated in 1938. The officers, directors, and agents of said corporation are the following named respondents: Henry T. Schiff, Frances R. Schiff, Robert M. Schiff, Benjamin A. Schiff, and other of the respondent individuals.

Respondent Electric Clock Corp. of America is an Illinois corporation with its office and principal place of business at 711 West Lake Street, Chicago, Ill. The officers, directors and agents of said corporation are the following named respondents: Henry T. Schiff, Frances R. Schiff, Robert M. Schiff, Benjamin A. Schiff, and other of the respondent individuals.

Respondents the Keen Manufacturing Co., Razor Service Co., General Chromium & Copper Co., and Utility Manufacturing Co. are trade names under which one or more of respondent individuals have operated. Their offices and principal place of business are located at either 711 West Lake Street, Chicago, Ill., or 429 South Ashland Avenue, Chicago, Ill.

Said respondent corporations and said respondent individuals are or have been, during all or part of the time hereinafter stated, engaged in the business of manufacturing, selling and distributing certain products, such as radios, cameras, talking machines, electric sunlamps, electric clocks, electric razors, or shavers, electric lighters, and electric and other novelties and like and similar products. Said respondents are hereinafter referred to as respondent manufacturers.

PAR. 2. Respondent Henry T. Schiff resides at 162 East Ohio Street, Chicago, Ill., and has places of business located at 711 West Lake Street, 429 South Ashland Avenue, 305 West Adams Street, 207 East Ohio Street, and various places of business in Chicago, Ill., and in other cities and States in the United States unknown to the

Complaint

44 F. T. C.

Federal Trade Commission, his connection with which is not revealed to the public. Said respondent is, and has been, for more than 20 years last past, engaged in manufacturing, selling and distributing various and sundry products including radios, cameras, talking machines, electric sunlamps, electric clocks, electric razors or electric shavers, electric lighters and electric and other novelties and like and similar products. Said respondent is now, and has been, for many years last past, an officer and director and in control of many of respondent corporations named and described in paragraph 1 hereof, and has also during the past 20 years organized, financed, and controlled, and is now operating and doing business under many other corporate and trade names, including the corporate, company, and trade names: The Elgin Laboratories, Inc., Elgin Laboratories, International Merchandise Corp., International Service Corp., International Products Corp., Monument Manufacturing Co., Inc., Underwood Laboratories, Lucky Strike Manufacturing Co., Schafer & Co., Vitaneola Talking Machine Co., Old Reliable Manufacturing Co., Fay Manufacturing Co., Motor Engineering Co., Atlas Model Works, Fire Chief, Inc., Electric Kwik Shave Co., and the brand names Elgin, Underwood, Remington, Hamilton, and many other corporation, company, trade and brand names. The names and addresses of said corporations and companies are unknown to the Federal Trade Commission, all of which corporations and companies the Commission is informed and believes are now, or have been during all or part of the time herein stated, engaged in practices similar to the practices charged in this complaint to be unlawful.

Respondent Frances R. Schiff is the wife of respondent Henry T. Schiff, and resides at 162 East Ohio Street, Chicago, Ill. Her office and principal place of business is at 711 West Lake Street, Chicago, Ill.

Respondent Benjamin A. Schiff is a son of respondents Henry T. Schiff and Frances R. Schiff. Said respondent's principal place of business is at 800 North Clark Street, Chicago, Ill.

Respondent Robert M. Schiff is a nephew of respondents Henry T. Schiff and Frances R. Schiff. Said respondent resides at 732 Bittersweet Place, Chicago, Ill., and his principal place of business is at 711 West Lake Street, Chicago, Ill.

Respondent Jack Galter is a son-in-law of respondent Henry T. Schiff. His principal place of business is at 711 West Lake Street, Chicago, Ill.

Respondent Dora M. Galter is the wife of respondent Jack Galter and the daughter of respondent Henry T. Schiff and Frances R.

Schiff. Said respondent's principal place of business is at 711 West Lake Street, Chicago, Ill.

Respondent William Galter is a brother of respondent Jack Galter and associated with him in business with his principal place of business at 711 West Lake Street, Chicago, Ill.

Respondent Harry C. Feinberg's principal place of business is at 711 West Lake Street, Chicago, Ill.

Respondent Robert D. Schoenbrod's principal place of business is at 711 West Lake Street, Chicago, Ill.

Respondent Arnold F. Shapiro's principal place of business is at 711 West Lake Street, Chicago, Ill.

Respondent Albert I. Leight is now or has been during all or part of the time herein stated an officer, director or agent of one or more of respondent corporations. His offices and principal places of business are at 305 West Adams Street and 711 West Lake Street, Chicago, Ill.

Respondent Ed. Cohan is now or has been during all or part of the time herein stated an officer, director or agent of one or more of the respondent corporations. His office and principal place of business is at 215 West Ontario Street, Chicago, Ill.

Each of said respondent individuals at one time or another during the period hereinafter stated organized, financed, directed, managed or controlled or cooperated with respondent Henry T. Schiff or one or more of the other respondents in the organization, financing, directing, managing, or controlling in whole or in part the business of one or more of respondent manufacturers and other corporations and companies in the practice hereinafter charged to be unlawful.

PAR. 3. Each of said respondent manufacturers and each of said respondent individuals named and described in paragraphs 1 and 2 hereof at one time or another during the past 20 years has been engaged, and is now engaged, directly or indirectly, in the manufacture, sale and distribution of various lines of merchandise, including radios, cameras, talking machines, electric sunlamps, electric clocks, electric razors or electric shavers, electric lighters, and electric and other novelties and like and similar products. Respondents cause said products, when sold, to be transported from their aforesaid respective places of business in the State of Illinois to purchasers thereof located in various other States of the United States and in the District of Columbia.

Each of the aforesaid respondent individuals and manufacturers now maintain, and during all or part of the time hereinbefore stated have maintained, a course of trade in said products so sold and dis-

Complaint

44 F. T. C.

tributed in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 4. Each of the respondent manufacturers and each of the respondent individuals aforesaid is now and has been during all or part of the time hereinabove stated engaged in a scheme to deceive, and have deceived, the public and to compete unfairly, and have competed unfairly, with other manufacturers and dealers in radios, cameras, talking machines, electric sunlamps, electric clocks, electric razors or electric shavers, electric lighters, and electric novelties and like and similar products who are engaged in competition with said respondents in the sale and distribution of such products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

In furtherance of said scheme, said respondent manufacturers, and said respondent individuals, individually and as officers, directors, and agents of said respondent manufacturers and other corporations and companies have falsely represented the price of said products and have issued false and and fictitious guarantees of said products, and have adopted and used as corporate and trade names and as marks and brands affixed to said products to designate the source and origin of manufacture thereof, the names, marks and brands and simulation of the trade-marks of corporations, partnerships, and individuals well and favorably known to the purchasing public and long established in various similar and like industries. Among the names, marks and brands so adopted and so used by respondents are the following: Elgin, Underwood, Remington, Hamilton and many others.

In furtherance of said scheme, and for the purpose of inducing, directly or indirectly, the purchase of their said products, respondents have attached said names to said products, and have published, circulated and distributed among the purchasing public and to dealers for redistribution to the purchasing public throughout the several States of the United States and in the District of Columbia advertisements, through letters, billheads, pamphlets, circulars, newspapers, magazines, and on tags attached to said products and on labels on packages in which said products are contained when shipped, and by means of radio transmissions broadcast throughout the United States and in the District of Columbia, in which said names and false and fictitious price marks and false and fictitious guarantees are featured, and have placed in the hands of others the said means whereby they have or might induce the public, directly or indirectly, to purchase said products. Among the false representations contained in said advertisements disseminated and caused to be disseminated as aforesaid, and typical but not exclusive thereof, are the following:

80

Complaint

You can make remarkable savings on * * * radios, and electrical appliances, during Glickstein's great 14th Anniversary Sale. To prove this and to convince you listeners of the sincerity of this statement, here are just a few of the many values offered. Elgin Electric Shavers are specially priced at \$1.74 * * *

\$3 NEW

KWICK-SHAVE

ELECTRIC SHAVER

* * *

There is no better razor regardless of price! One year guarantee. Money back guarantee.

ELGIN LABORATORIES 1651 Fulton Chicago, Ill.

The New Elgin Dry Shaver

Fully guaranteed on a money back basis, by a million dollar firm at the sensationally low price of \$1.92 POSTPAID.

* * * ROBERT SHUMWAY Addison New York

ELGIN ELECTRIC SHAVERS

— \$1.50 —

FULLY GUARANTEED Against Defective Workmanship and Material
DITTO SALES CO.

Box 531

WINK,

TEXAS

SPECIAL INTRODUCTORY OFFER \$2.50

You will get the thrill of your life when you use the NEW IMPROVED ELGIN KWICK-SHAVE ELECTRIC SHAVER. GUARANTEED. Was nationally advertised \$15.00 retail. Compare it with any \$15.00 Shaver performance. Money back in 10 days if not satisfied.

BOX 147

Elkhart, Ind.

ANNOUNCING ANOTHER NEW ELGIN SENSATION CANDID TYPE
CAMERA

Your cost \$1.25 less 2% SUPER SPEED LENS * * * FIXED FOCUS
* * * EYE LEVEL VIEW FINDER * * * SHUTTER STOPS * * *
ELGIN LABORATORIES, INC., 429 So. Ashland Blvd., Chicago, Ill.

SCOOP! SENSATIONAL OFFER

* * * Fully tested and approved by Underwriters Laboratories. Has been Nationally Advertised at \$15.00. ELGIN Kwick Shave Electric SHAVER 1.99 Precision built like a watch; * * *. By arrangement with the manufacturer of this genuine Elgin Dry Shaver, which has been nationally advertised at \$15.00. * * * *Unconditionally Guaranteed* by the Manufacturer. * * * ECON-
OMY DRUG CO. Fifth and Louisiana Sts. Little Rock, Arkansas.

Complaint

44 F. T. C.

SUPER VALUE 90¢ Each. The ELGIN "KWIK-SHAVE" ELECTRIC DRY SHAVER * * * GELLMAN BROS. 119 North Fourth St., Minneapolis, Minn.

* * * Clip This Coupon and Bring With You! ELGIN DELUXE ELECTRIC DRY SHAVER Complete with Handsome Leather Traveling Case ONLY \$3.99 * * * Fully tested and approved by Underwriters Laboratories. Guaranteed by the Manufacturer. By arrangement with the manufacturer of this nationally advertised genuine ELGIN ELECTRIC SHAVER * * * NOTICE:—All Mail Orders Must Enclose 20¢ Extra! FEATURED EXCLUSIVELY AT TWO ONLY

CALHOUN at WAYNE

CALHOUN at MAIN

MEYER'S DRUG STORES

Scoop! Sensational offer. \$15. *Hamilton* DeLuxe Electric Shaver * * * by arrangement with the manufacturer of this \$15.00 nationally known Dry Shaver * * \$2.99 * * This Hamilton Dry Shaver will be sold for the regular \$15.00 price after this sale * * * Guaranteed by the manufacturer * * * Tested and Approved by Underwriters Laboratories * * * Mail Orders Filled * * *

Highland Park Drug Company,
5639 North Figueroa Street,
Los Angeles, California.

* * * Why pay \$15.00 * * * Use this coupon—only 200 Auburn DeLuxe Electric Shavers on sale * * * This coupon and only \$2.99, plus sales tax. Unconditional factory guarantee. Our arrangement with the manufacturer limits us to 200 Shavers at this sensational price. Auburn Shavers will be sold at regular price after 6 p. m. Saturday * * * Mail orders promptly filled. Price of Razor \$2.99 * * * Exclusively at Ferris and Ferris Pharmacists, 605 Fifth Avenue, Corner Market, San Diego, California.

THIS AD WORTH \$12.02. Bring this ad with \$2.98 to our store and receive one GENUINE \$15 ELGIN ELECTRIC DRY SHAVER (DeLuxe Model) price after sale, \$15.00. By arrangement with the manufacturer of this nationally famous Elgin Dry Shaver, we are about to offer this outstanding Electric Shaver at only a fraction of its original cost * * * QUANTITY LIMITED—GET YOURS EARLY * * * Mail orders 17¢ Extra. * * *

A sensational new camera!

Note these features:

Super speed lens.
Every camera equipped with
the Elgin precision lens.

FAST FOCUS

No more guessing distances.
Perfect focus for every shot.

EYE-LEVEL VIEW FINDER

Sight just like a spy glass and
shoot.

Complaint

SHUTTER STOPS

For time exposures or snap shots, easily adjusted.

* * *

Super speed lens, eye-level view finder, and instant action shutters—only a few of the features. Never before has it been possible to sell such a fine camera at such low prices. Action shots with depth and clarity. Everyone, prizes taken with ease.

* * *

Elgin Laboratories,
1647 W. Fulton Street,
Chicago, Illinois.

YOUR COST \$1.25

* * *

SENSATIONAL NEW ELGIN

* * *

Candid type camera

* * *

Elgin Laboratories,
1647 Fulton St.,
Chicago, Illinois.

YOUR COST \$1.00

* * *

The new Elgin-Kwick Shave * * *

Can be retailed for \$1.98. Suggested price to dealer \$1.50.

* * *

Elgin Laboratories,
1647 Fulton Street,
Chicago, Illinois.

One year guarantee.

Your electric dry shaver is guaranteed against defective workmanship and material. This guarantee is valid for one year from purchase date if register card below is properly filled out and returned at time of purchase. * * *

Razor Service Company,
429 S. Ashland Avenue,
Chicago, Illinois.

Lifetime guarantee

Underwood Electric Dry Shaver

* * *

Underwood Industries, Inc.,
644 N. Michigan Ave.,
Chicago, Illinois.

The manufacturer of this Shaver believes it to be equal in quality and performance to any \$15 Shaver. * * *

Underwood Electric Dry Shaver lifetime guarantee service card.

* * *

Complaint

44 F. T. C.

Enclose this service card, together with fifty cents (50¢) in postage or coin, when returning shaver. Mail to

Underwood Industries, Inc.,
664 N. Michigan Avenue,
Chicago, Illinois.

Sensational premium value

* * *

Electric Dry Shaver

* * *

95¢ each

We'll be glad to furnish ideas and plans for fitting Kwik-Shave into your premium plans. * * *

Two astounding candid type cameras priced to fit into big premium deals!

Speedex

* * *

A camera of endless premium possibilities

* * *

A sample will convince you.

\$1.65 each

* * *

Elgin Laboratories, Inc.,
429 So. Ashland Avenue,
Chicago, Illinois.

Morehouse

Martens

* * * * *

Electric Dry Shavers

Elgin Make

Mechanically guaranteed for one year

\$1.29

* * * * *

Mail your order or phone

Ad. 4161

* * * Underwood

(Ivory case, rubber grip and imitation leather pouch.)

* * *

List Price \$2.00

Net Price \$1.35

Elgin Laboratories, Inc.

Scoop!

Sensational Offer!

* * *

\$15.

MASTER DeLuxe Electric SHAVER * * * \$2.99

* * *

Bennett's Cut Rate Drugs,
Corner Franklin & Cass Sts.,
Tampa, Florida.

Complaint

GUARANTEE CERTIFICATE

Your electric shaver is guaranteed against defective workmanship and material. This guarantee is valid for one year from purchase date if register card below is properly filled out and returned at time of purchase.

* * *

If you find it necessary to return your shaver, please include 25¢ to cover postage and handling. * * * Razor Service Co., 429 S. Ashland Avenue, Chicago, Ill.

* * *

\$15.

MASTER DeLuxe Electric SHAVER

* * *

\$2.99

Master Dry Shaver Company,
444 W. Sixty-third St.,
Chicago, Illinois.
United Cigar Stores
Whelan Drug Stores

* * *

Amazing Value!

Underwood Electric Razor

With four packs of any blended cigarettes.

This guaranteed electric shaver * * * Regular \$5.95

* * *

\$1.98

* * *

List Price \$5.00

* * *

Speedex

* * *

American Camera Corporation

Chicago, Illinois

* * *

Candid type miniature

* * *

The new Regal candid Camera

* * *

\$2.98

* * *

Underwood Laboratories,

664 N. Michigan Ave.,

Chicago, Illinois.

Underwood Ahora

\$5.00

* * *

Underwood Razor Company,

122 S. Michigan Ave.,

Chicago, Illinois.

Complaint

44 F. T. C.

BIG PROFITS FOR YOU selling **UNDERWOOD** Electric Dry Shavers.

* * *

Underwood Industries,
711 West Lake St.,
Chicago, Ill.

* * * Never again at this price!

HANDSOME DELUXE MODEL
Hamilton Electric Shaver

* * *

\$1.99

Enclose 16¢ for postage

LEITER BROTHERS

Chambersburg, Pa.

Mail orders filled while quantity lasts.

The statements and representations made by the respondents and others at their instance and direction, hereinabove set forth, and other statements and representations similar thereto, not herein set out, all of which purport to be descriptive of respondents' said products, the source, origin, and price thereof, and the quality of the materials and workmanship entering into their construction, and their capacity and durability, and the so-called guarantee thereof, are false and misleading.

PAR. 5. The name "Elgin" is part of the corporate name of Elgin National Watch Co. of Elgin, Ill., manufacturers of watches, jewelry, and a diversified line of mechanical devices and precision and time-keeping instruments and like products. The Elgin National Watch Co. was incorporated in 1864 and registered the name "Elgin" under the trade-mark acts in the United States Patent Office and has used the same continuously as a mark or brand name to designate its products ever since the date of its incorporation and reregistered the name in compliance with the Trade Mark Act of 1905 in the United States Patent Office on November 7, 1905. The Elgin National Watch Co. has used the trade mark "Elgin" as a brand name on its said products, which products it has extensively advertised, sold, and shipped in interstate and foreign commerce throughout the civilized world.

The name "Underwood" is a part of the corporate name Underwood-Elliott-Fisher Co. of Hartford, Conn., incorporated under the laws of the State of Delaware in 1910, and is the successor of other corporations and companies having the name "Underwood" as a part of their corporate or trade name. Said corporation manufactures typewriters, office supplies, electric shavers, and other electrical and

mechanical instruments and devices and like products. The Underwood-Elliott-Fisher Co. registered the trade-mark "Underwood" in the United States Patent Office as a mark or brand used to designate its products and has extensively advertised, sold, and shipped its products in interstate and foreign commerce throughout the civilized world and its predecessors in interest used the name "Underwood" as a brand name on typewriters, office equipment, electrical and mechanical devices manufactured and sold by them in interstate and foreign commerce.

The name "Remington" is a part of the corporate name Remington Rand, Inc., of Buffalo, N. Y., manufacturers of thousands of products, including typewriters, electric shavers, office supplies, and many other electrical and mechanical devices and like products. Remington Rand, Inc., was incorporated under the laws of the State of Delaware in 1927 as the successor of other corporations and companies bearing the name "Remington" as a part of their corporate and trade name. The name "Remington" is derived from the surname of a family and has been used as a trade and brand name by Remington Rand, Inc., and its predecessors since 1813. The name "Remington" has been repeatedly registered under the trade-mark acts with the United States Patent Office by Remington Rand, Inc., and its predecessors since 1883 as a brand name on thousands of products, including typewriters, office supplies, electrical and mechanical instruments, electric shavers, and many other electrical and mechanical devices.

The name "Hamilton" is a part of the corporate name Hamilton Watch Co. of Lancaster, Pa., manufacturers of watches, watch-timing machines, electric razors, speedometers, jewelry, and various electrical and mechanical devices and precision instruments. The Hamilton Watch Co. was incorporated in 1892 and has used the name "Hamilton" as a trade mark on its products extensively advertised, sold, and shipped throughout the civilized world, and has registered with the United States Patent Office the name "Hamilton" as a brand name to identify its products.

The said names "Elgin," "Underwood," "Remington," and "Hamilton" each possess extensive good-will value. The use by respondents of said names is without the authority or consent of said legal owners and users thereof. There is a preference among the purchasing public for products manufactured and sold by well and favorably known and long-established concerns whose products are well and favorably known for quality, workmanship, and performance, and the products bearing the names, marks and brands adopted and used by respondents as afore-

said, and more especially the products bearing the names "Elgin," "Underwood," "Remington," and "Hamilton," have long been recognized by the purchasing public as being of superior quality, workmanship, and performance, produced by well and favorably known and long-established concerns. Purchasers buy respondents' said radios, cameras, talking machines, electric sunlamps, electric clocks, electric razors or electric shavers, electric lighters, and electric and other novelties and like and similar products so marked and branded with the names Elgin, Underwood, Remington, and Hamilton, under the mistaken belief that they are buying the products of well-known and long-established concerns whose reputation for quality, workmanship and performance they rely upon and to whom such purchasers look for satisfaction in the event of failure of performance or defect in quality or workmanship of the products so purchased. Many purchasers have bought respondents' aforesaid products under the mistaken and erroneous belief induced by respondents' said use of the said names Elgin, Underwood, Remington, and Hamilton, in the manner aforesaid, that the products so purchased were the products manufactured and sold by well-known and long-established legal owners and users of the names Elgin, Underwood, Remington, and Hamilton as marks or brands to designate the products manufactured and sold by respondents.

PAR. 6. In truth and in fact, the respondents' said radios, cameras, talking machines, electric sunlamps, electric clocks, electric razors, or electric shavers, electric lighters and other products are not made by the Elgin National Watch Co. or by the Underwood-Elliott-Fisher Co. or by Remington Rand, Inc., or by the Hamilton Watch Co., the corporations identified in the public mind by the names Elgin, Underwood, Remington, and Hamilton. The so-called reduced or special prices at which said products are offered for sale and sold by respondents are the regular, usual prices at which respondents sell said products at all times in the usual and regular course of business. The said electric razors and electric shavers have never been sold for \$15 each, and the prices of \$1.95 to \$5 at which respondents offer for sale and sell said products are not specially reduced prices limited as to time. Respondents' said cameras are not and cannot properly be described as "candid" cameras. A candid camera is a camera that is equipped with specially built super-speed lens and automatic shutter stop capable of taking action pictures under any and all light conditions. Respondents' so-called candid cameras are not equipped with special super-speed lenses and automatic shutters and will not take action pictures under any and all light conditions. The purported guarantee of workmanship and

durability and life thereof, and the recommendation of said products as advertised and represented, are false and deceptive and do not in any way guarantee the workmanship, quality, or material, durability, and life of said products.

The use by respondents of the said names, marks, brands and devices set out and described in paragraphs 1, 2, 3, and 4 hereof, is wholly unauthorized by the owners and users of said names, marks, brands and devices and gives to the respondents' goods a prestige and stability 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 the respondents do. 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, as hereinabove set forth, has the capacity and tendency to deceive and mislead the public purchasing said products into believing that respondents' products originate with the well-known and reputable concerns identified in the public mind by the names Elgin, Underwood, Remington, and Hamilton. Thereby substantial injury is done by respondents to competitors and substantial competition in interstate commerce.

PAR. 7. There are among the competitors of the respondents other corporations, partnerships and individuals engaged in the business of selling and distributing radios, cameras, talking machines, electric lamps, electric clocks, electric razors or electric shavers, electric lighters and electric and other novelties and like and similar products in commerce among and between the several States of the United States and in the District of Columbia, who do not misbrand or falsely represent their said products or the prices thereof and the materials and workmanship of which they are composed or their durability. Among such competitors are legal owners and users of the names Elgin, Underwood, Remington, and Hamilton, who use and have used said names as corporate and trade names and as marks or brands to identify products like or similar to those sold and distributed by the respondents.

PAR. 8. None of the respondents owns, operates or controls a properly equipped laboratory supervised, managed and directed by scientifically trained persons where the products sold by respondents are manufactured or made and where the materials and workmanship of respondents' products are scientifically tested for strength, durability, precision and proper functioning, and respondents' products are not scientifically tested for strength, durability, precision and proper

Complaint

44 F. T. C.

functioning. The use by the respondents of the word "laboratory" or "laboratories" in the corporate name Underwood Laboratories, Inc., and other corporate and trade names, and the use by respondents of the said name and designation "laboratories" and of the names of Elgin, Underwood, Remington, and Hamilton, in the manner aforesaid as corporate and trade names and as marks or brands to designate said radios, cameras, talking machines, electric sunlamps, electric lighters, electric razors or electric shavers, electric clocks and electric and other novelties, and like and similar products is deceptive and misleading, and has had, and now has, the capacity and tendency to, and does mislead and deceive members of the purchasing public into the mistaken and erroneous belief that respondents' said products so priced, marked, and branded are the products of other well-known and long-established concerns who truthfully represent the prices of their products and the material of which they are composed and their life and durability, and who operate or control properly equipped laboratories, managed and directed by scientifically trained persons, where such products and the materials from which they are made are tested for strength, durability, precision and proper functioning, and who do not falsely guarantee the same, and who use and have a lawful right to the use of the names Elgin, Underwood, Remington, and Hamilton. Said respondents by the said use of said false and fictitious price markings and alleged guarantees and by the use of the said names Elgin, Underwood, Remington, and Hamilton, have placed in the hands of others who deal in their said products a means and instrumentality whereby sellers may mislead and deceive purchasers into the aforementioned mistaken and erroneous belief. As a result of the mistaken and erroneous belief induced by the respondents' said acts, practices and representations as herein alleged, purchasers have purchased a substantial quantity of respondents' said product with the result that trade has been and is unfairly diverted to the respondents from their competitors engaged in selling radios, cameras, talking machines, electric sunlamps, electric clocks, electric razors, or electric shavers, electric lighters and electric and other novelties and like and similar products in commerce among and between the several States of the United States, and in the District of Columbia, who do not misrepresent the price, nature, character, quality, and source of their respective products. As a consequence thereof, substantial injury has been done and is now being done by the respondents to competitors in said commerce between and among the various States of the United States and in the District of Columbia.

PAR. 9. The aforesaid acts and practices of the respondents as herein alleged are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce 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 February 4, 1941, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them with the use of unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of the provisions of that act. After the filing by the respondents of their answers to the complaint, certain testimony and other evidence in support of and in opposition to the complaint were introduced before a trial examiner of the Commission theretofore duly designated by it, and such testimony and other evidence were duly recorded and filed in the office of the Commission. Subsequently, and before the introduction of evidence in the proceeding had been completed, certain stipulations of fact were entered into between the respondents and counsel for the Commission, which stipulations provided that, subject to the approval of the Commission, the facts set forth therein might be taken as facts in the proceeding and in lieu of testimony in support of or in opposition to the complaint, and that the Commission might proceed upon such statement of facts and upon the evidence theretofore introduced to make its report, stating its findings as to the facts (including inferences which it might draw from the stipulated facts) and its conclusion based thereon, and enter its order disposing of the proceeding without the presentation of oral argument or the filing of briefs. Thereafter, the proceeding regularly came on for final consideration by the Commission upon the record, including the complaint, answers, stipulations of fact, and testimony and other evidence, 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 Elgin Razor Corp. is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 800 Clark Street, Chicago, Ill.

Respondent Underwood Laboratories, Inc., is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 711 West Lake Street, Chicago, Ill.

Respondent Underwood Industries, Inc., is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 711 West Lake Street, Chicago, Ill.

Respondent the American Camera Corp. is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 711 West Lake Street, Chicago, Ill.

Respondent Electric Clock Corp. of America is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 711 West Lake Street, Chicago, Ill.

Respondents Henry T. Schiff, Francis R. Schiff, Robert M. Schiff, and Benjamin A. Schiff are individuals and are or have been, during the period of time involved in this proceeding, stockholders, officers and directors of the corporations named above. They have formulated the policies and directed and controlled the methods and practices of these corporations, and have participated actively in carrying on the acts and practices hereinafter described. These individuals have at various times operated under numerous trade names, including the names Keen Manufacturing Co., Razor Service Co., General Chromium & Copper Co. and Utility Manufacturing Co.

Respondents Albert I. Leight and Ed Cohan are individuals and are or have been, during the period of time in question, stockholders and agents of one or more of the above-named corporations. These individuals, along with the other individual respondents referred to above, have participated actively in the acts and practices hereinafter described.

The respondents named in this paragraph, including both corporations and individuals, are referred to hereinafter as the Schiff respondents.

PAR. 2. Respondent Match King, Inc., is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 711 West Lake Street, Chicago, Ill.

Respondent the Monarch Manufacturing Co. is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 711 West Lake Street, Chicago, Ill.

Respondent the American Supercraft Corp. is a corporation chartered under the laws of the State of Illinois, with its office and principal place of business located at 711 West Lake Street, Chicago, Ill.

Respondents Jack Galter, Dora M. Galter, William Galter, Harry C. Feinberg, Robert D. Schoenbrod, and Arnold F. Shapiro are individuals and are or have been, during the period of time involved in this proceeding, stockholders, officers and directors of one or more of the corporate respondents referred to above. These individuals have formulated the policies and directed and controlled the methods and practices of the corporations named, and have participated actively in carrying on the acts and practices hereinafter described.

The respondents named above in this paragraph, including both corporations and individuals, are referred to hereinafter as the Galter respondents.

Respondent Frances R. Schiff is the wife of respondent Henry T. Schiff. Respondent Benjamin A. Schiff is the son of respondents Henry T. Schiff and Frances R. Schiff. Respondent Robert M. Schiff is a nephew of respondents Henry T. Schiff and Frances R. Schiff. Respondent Dora M. Galter is the wife of respondent Jack Galter and the daughter of respondents Henry T. Schiff and Frances R. Schiff.

PAR. 3. All of the respondents are or have been engaged in the manufacture, sale and distribution of various items of novelty merchandise, including electric shavers, cameras, electric sunlamps, talking machines, electric clocks and electric lighters. They cause or have caused their products, when sold, to be transported from their places of business in the State of Illinois to purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain or have maintained a course of trade in their products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. In the sale and distribution of their products respondents are or have been in competition with other corporations and individuals engaged in the sale and distribution of similar products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 5. Respondents have engaged in the practice of adopting and using for some of their products, particularly electric shavers and cameras, certain well-known and long-established trade names. The Schiff respondents have used the names "Elgin," "Hamilton," "Underwood," and "Remington." The Galter respondents have used the names "Elgin," "Underwood," and "Remington." These names were

imprinted upon the products themselves and also appeared on the cartons in which the products were packaged and sold to the public. The names were also featured by the Schiff respondents in numerous pieces of advertising literature distributed among prospective purchasers and in newspaper advertisements published in many cities and towns throughout the United States. Moreover, some of these trade names form a part of the corporate names of certain of the respondents, to wit, Elgin Razor Corp., Underwood Laboratories, Inc., and Underwood Industries, Inc. These corporate names have likewise appeared upon the products and cartons and in the advertising.

PAR. 6. These trade names are the property of certain business concerns in the United States having no connection whatever with any of the respondents or their products. The name "Elgin" is the property of the Elgin National Watch Co. of Elgin, Illinois. The name "Hamilton" is the property of the Hamilton Watch Co., of Lancaster, Pa. The name "Remington" is the property of Remington Rand, Inc., of Buffalo, N. Y. The name "Underwood" is the property of Underwood-Elliott-Fisher Co., of Hartford, Conn. These companies manufacture and sell precision instruments, that is, watches, typewriters, bookkeeping machines, etc. Long prior to the business activities of the respondents, these trade names had been adopted and used by the respective companies to designate their products, and the names have been widely advertised and are well and favorably known throughout the United States. The public associates these names with the respective companies mentioned and with such companies' products, and there is a preference on the part of a substantial portion of the public for the products of these companies. None of the companies has ever granted to any of the respondents permission to use any of the names.

The Commission finds that the use by the respondents of these trade names to designate their own products, and the use of such names as a part of the corporate names of the corporations referred to, was wrongful and grossly misleading to the public. Respondents' actions obviously represent an attempt by respondents to capitalize upon well established and highly regarded trade names in which they held no valid interest. The record establishes that because of respondents' wrongful use of such names numerous persons have purchased respondents' products under the mistaken belief that they were purchasing the products of the companies mentioned.

PAR. 7. Respondents have also made misrepresentations respecting the prices of their products. Through the use of price tags reading "\$15," which respondents attached to their electric shavers, they have represented that the usual and customary price at which such shavers

were regularly sold at retail was \$15. The Schiff respondents have made similar representations through newspapers and other advertising media. Actually, none of the shavers ever sold for \$15 or any amount approaching that figure. The prices at which the shavers regularly sold at retail were very much smaller, such as \$1.50, \$1.92, \$2.98, etc.

Respondents have further represented that the low prices mentioned above at which the shavers customarily sold were special or reduced prices and were applicable for a limited period of time only. As set forth above, this representation was false, as these prices were the usual and customary prices at which the shavers were regularly sold at retail in the normal course of business.

PAR. 8. Respondents have further represented, through the issuance of purported "Guarantee Certificates" and otherwise, that their shavers were guaranteed against defective workmanship and material, and that if found defective in such respects they would be repaired without cost to the purchasers except the sum of 25 cents to cover postage and handling. This guarantee was not in fact carried out by respondents, as they customarily required purchasers to pay various amounts for the repair of defective shavers over and above the amount of 25 cents stated in the purported guarantee.

PAR. 9. A further representation of respondents was that their cameras were "candid type" cameras, that is, cameras equipped with special lenses and shutters and capable of taking action pictures under very unfavorable light conditions. This representation was untrue, as the cameras were not candid-type cameras. They were not equipped with special lenses or shutters and were not capable of taking action pictures under unfavorable light conditions.

PAR. 10. The use by respondent Underwood Laboratories, Inc., of the word "laboratories" as a part of its corporate name constituted a representation that the corporation maintained a laboratory for the purpose of testing and experimenting with its products. Actually, the corporation had no laboratory.

PAR. 11. The acts and practices of the respondents as herein set forth have the tendency and capacity to mislead and deceive a substantial portion of the purchasing public with respect to the identity, origin, character, value and guaranty of respondents' products and with respect to the identity and business status of certain of the corporate respondents, and the tendency and capacity to cause such portion of the public to purchase substantial quantities of respondents' products as a result of the erroneous and mistaken belief so engendered. Such acts and practices serve also to place in the hands of dealers purchasing

respondents' products means and instrumentalities whereby such dealers may be enabled to mislead the public. In consequence thereof, substantial trade has been diverted unfairly to respondents from their competitors.

CONCLUSION

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

Commissioner Mason not participating.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answers of the respondents, certain stipulations of fact entered into between the respondents and counsel for the Commission, and testimony and other evidence, and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act:

1. *It is ordered*, That respondents Elgin Razor Corp., Underwood Laboratories, Inc., Underwood Industries, Inc., the American Camera Corp., and Electric Clock Corp. of America, corporations, and their officers, and respondents Henry T. Schiff, Frances R. Schiff, Robert M. Schiff, and Benjamin A. Schiff, as officers of said corporations and individually and trading under the names the Keen Manufacturing Co., Razor Service Co., General Chromium & Copper Co. and Utility Manufacturing Co., or trading under any other name, and respondents Albert I. Leight and Ed Cohan, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of electric shavers, cameras, electric sunlamps, talking machines, electric clocks, and electric lighters, or any other merchandise, do forthwith cease and desist from:

(a) Using the name "Elgin," or any simulation thereof, either alone or in connection with other words, to designate, describe or refer to respondents' products;

(b) Using the name "Hamilton," or any simulation thereof, either

alone or in connection with other words, to designate, describe or refer to respondents' products;

(c) Using the name "Remington," or any simulation thereof, either alone or in connection with other words, to designate, describe or refer to respondents' products;

(d) Using the name "Underwood," or any simulation thereof, either alone or in connection with other words, to designate, describe or refer to respondents' products;

(e) Representing as the customary prices of respondents' products prices which are in excess of the prices at which such products are regularly and customarily sold in the normal course of business;

(f) Representing that the prices at which respondents' products are offered for sale are special or reduced prices or are applicable for a limited period of time only, when such prices are in fact the regular and customary prices at which such products are offered for sale in the normal course of business;

(g) Representing as "candid type" cameras any cameras which are not equipped with special lenses and shutters and which are incapable of taking action pictures under very unfavorable light conditions;

(h) Representing, through the issuance of purported "Guarantee Certificates" or otherwise, that respondents' products are guaranteed against defective workmanship and materials, unless respondents do in fact repair in accordance with the terms of such guarantee products found to be defective in such respects.

2. *It is further ordered*, That respondent Elgin Razor Corporation, a corporation, and its officers, and respondents Henry T. Schiff, Frances R. Schiff, Robert M. Schiff and Benjamin A. Schiff, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of electric shavers, cameras, electric sunlamps, talking machines, electric clocks and electric lighters, or any other merchandise, do forthwith cease and desist from:

(a) Using the name "Elgin," or any simulation thereof, as a part of the corporate or trade name of said corporation.

3. *It is further ordered*, That respondent Underwood Laboratories, Inc., a corporation, and its officers, and respondents Henry T. Schiff, Frances R. Schiff, Robert M. Schiff and Benjamin A. Schiff, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and dis-

tribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of electric shavers, cameras, electric sunlamps, talking machines, electric clocks and electric lighters, or any other merchandise, do forthwith cease and desist from:

(a) Using the name "Underwood," or any simulation thereof, as a part of the corporate or trade name of said corporation;

(b) Using the word "Laboratories," or any simulation thereof, as a part of the corporate or trade name of said corporation.

4. *It is further ordered*, That respondent Underwood Industries, Inc., a corporation, and its officers, and respondents Henry T. Schiff, Frances R. Schiff, Robert M. Schiff and Benjamin A. Schiff, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of electric shavers, cameras, electric sunlamps, talking machines, electric clocks and electric lighters, or any other merchandise, do forthwith cease and desist from:

(a) Using the name "Underwood," or any simulation thereof, as a part of the corporate or trade name of said corporation.

5. *It is further ordered*, That respondents Match King, Inc., the Monarch Manufacturing Co. and the American Supercraft Corp., corporations, and their officers, and respondents Jack Galter, Dora M. Galter, William Galter, Harry C. Feinberg, Robert D. Schoenbrod, and Arnold F. Shapiro, individually and as officers of said corporations, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of electric shavers, cameras, electric sunlamps, talking machines, electric clocks and electric lighters, or any other merchandise, do forthwith cease and desist from:

(a) Using the name "Elgin," or any simulation thereof, either alone or in connection with other words, to designate, describe or refer to respondents' products;

(b) Using the name "Remington," or any simulation thereof, either alone or in connection with other words, to designate, describe or refer to respondents' products;

(c) Using the name "Underwood," or any simulation thereof, either

alone or in connection with other words, to designate, describe or refer to respondents' products;

(d) Representing as the customary prices of respondents' products prices which are in excess of the prices at which such products are regularly and customarily sold in the normal course of business;

(e) Representing that the prices at which respondents' products are offered for sale are special or reduced prices or are applicable for a limited period of time only, when such prices are in fact the regular and customary prices at which such products are offered for sale in the normal course of business;

(f) Representing as "candid-type" cameras any cameras which are not equipped with special lenses and shutters and which are incapable of taking action pictures under very unfavorable light conditions;

(g) Representing, through the issuance of purported "Guarantee Certificates" or otherwise, that respondents' products are guaranteed against defective workmanship and materials, unless respondents do in fact repair in accordance with the terms of such guarantee products found to be defective in such respects.

6. *It is further ordered*, That all of the respondents named in this order 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.

Commissioner Mason not participating.

Complaint

44 F. T. C.

IN THE MATTER OF

ISIDORE LUSTERMAN AND EDWARD E. SELDIS, CO-
PARTNERS TRADING AS LUSTERMAN, SELDIS COM-
PANY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914

Docket 5443. Complaint, June 14, 1946—Decision, Aug. 20, 1947

Where two partners engaged in the interstate sale and distribution of umbrellas, including some the covers of which were composed in whole or in part of rayon and simulated in texture and appearance products composed wholly or in part of silk—

Offered and sold said products without disclosing that they were composed wholly or in part of said chemically manufactured fiber;

With result that many members of the purchasing public were thereby lead to believe that such products were composed of silk or other natural fibers, and of placing in the hands of purchasers for resale a means whereby they might and did mislead and deceive the purchasing public as to the actual fiber content thereof; whereby substantial quantities thereof were purchased as and for products made wholly or chiefly of silk or other natural fibers:

Held, That such acts, practices and methods, 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. DeWitt T. Puckett for the Commission.

Lawer, Shapiro & Lauter, of New York City, 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 Isidore Lusterman and Edward E. Seldis, individually and as copartners trading as Lusterman, Seldis Co., 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. The respondents Isidore Lusterman and Edward E. Seldis are copartners trading and doing business as Lusterman, Seldis Co. and have their principal office and place of business at 5 West Thirty-sixth Street, New York, N. Y. Respondents are now and for