

IN THE MATTER OF
HASTINGS POTATO GROWERS ASSOCIATION

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

Docket 5921. Complaint, Sept. 10, 1951—Decision, Jan. 31, 1952

Where a cooperative corporation engaged in selling potatoes and other vegetables produced in Florida by its members, (1) to buyers who usually purchased in small volumes, through brokers to whom it paid brokerage fees varying from three to ten cents per hundredweight; (2) to some of such brokers who also purchased for their own accounts for resale; and (3) directly to other buyers, including some chain-store organizations who usually purchased in larger volumes for use or resale—

- (a) Paid a fee as brokerage to buying brokers in connection with the sale of potatoes to them in the same manner as it paid them a fee for effecting sales, as its agents, to small buyers, and in the same amounts, through invoicing them at the same prices as they charged small buyers and paying bills rendered to the association for brokerage fees in connection with sales made to said brokers for their own account for resale, as well as for fees earned for effecting sales as the association's agent to small buyers;
- (b) Paid such a fee also to buying brokers in connection with other sales of potatoes through the practice of charging them prices which were lower than those charged small buyers by the amount of the brokerage fees that it paid them for effecting sales to the small buyers—in some of such transactions, invoicing buying brokers at such lower prices, and in other transactions invoicing the buying brokers the same prices as those charged small buyers but permitting them to deduct the necessary discount for allowances; and
- (c) Charged direct buyers, including some chain-store organizations lower prices than it charged small buyers, through either invoicing such buyers at prices which were lower by the amount of the brokerage fees or invoicing them at the same prices charged small buyers and permitting them to make the necessary deduction:

Held, That said association, in making such payments of fees as brokerage and such charging of lower prices, paid or granted something of value as a commission, brokerage or other compensation in lieu thereof, in connection with the sale of vegetables, to the other parties to such transactions or to their agents, etc., who were acting in their behalf, and that such acts and practices violated subsection (c) of Sec. 2 of the Clayton Act as amended.

Before *Mr. Frank Hier*, trial examiner.

Mr. Peter J. Dias and *Mr. Richard E. Ely* for the Commission.

Mr. Counts Johnson, of Tampa, Fla., for respondent.

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COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent, named in the caption hereof, and hereinafter more particularly designated and described, has been and is now violating the provisions of subsection (c) of section 2 of the Clayton Act (U. S. C. Title 15, section 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 Hastings Potato Growers Association, hereinafter sometimes referred to as the Association, is a cooperative corporation, organized, existing and doing business under and by virtue of the laws of the State of Florida, with its principal office and place of business located at Hastings, Florida.

PAR. 2. The Association is now, and continuously for many years last past has been engaged in the business of selling potatoes and other vegetables produced in Florida by its members to three principal kinds of buyers.

The Association employs brokers who, as its agents, sell such vegetables to most buyers (hereinafter sometimes referred to as small buyers) who usually purchase in smaller volumes. As compensation for services rendered in effecting such sales to small buyers, the Association pays such brokers a brokerage fee. Such brokerage fees vary from about three cents to ten cents per hundredweight.

In addition to selling such vegetables to small buyers as agents of the Association, some of such brokers (hereinafter sometimes referred to as "buying brokers") also purchase such vegetables from the Association for their own accounts for resale.

The Association also sells vegetables directly to other buyers, including some chain-store organizations (hereinafter sometimes referred to as direct buyers) who usually purchase in larger volumes for their own account for use or resale.

PAR. 3. In the course and conduct of such business, the Association causes such vegetables so sold to be transported from its place of business or from elsewhere in Florida to the places of business of such buyers, some of which are located in Florida and some of which are located elsewhere in the United States. All sales of vegetables by the Association hereinafter referred to involved such transportation from Florida to such buyers with places of business located elsewhere and occurred during approximately the three or four years last past.

PAR. 4. (A) The Association pays a fee as brokerage to buying brokers in connection with the sale of potatoes to them in the same manner as it pays a brokerage fee to them and other brokers for ef-

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fecting sales, as its agents, to small buyers, and in the same or substantially the same amounts. In these transactions the Association invoices buying brokers, and they remit to the Association, at prices which are the same as those charged small buyers; but the buying brokers render to the Association, and the Association pays, bills which set forth, in addition to brokerage fees earned for effecting sales, as its agents, to small buyers, fees as brokerage in connection with such sales made to them for their own account for resale or which set forth only the latter.

(B) In connection with other sales of potatoes to buying brokers, instead of the Association making the payments of fees as brokerage alleged in subparagraph (A) above, it charges them prices which are lower than those charged small buyers. The prices are lower by amounts which are the same or substantially the same as the brokerage fees that the Association pays to its brokers for effecting sales, as its agents, to small buyers.

In some of these transactions, the Association invoices buying brokers, and they remit to the Association, at such lower prices. When this has been done, the Association sometimes indicates the fact by a notation on the invoice that the price is "net."

In other of these transactions, the Association invoices buying brokers at prices which are the same as those charged small buyers but the buying brokers remit to the Association at such lower prices, being permitted by the Association to deduct the necessary discount or allowance. When this is to be done, the Association sometimes indicates the fact by omitting the notation "net" on the invoice.

(C) In connection with sales of potatoes to direct buyers, instead of the Association making the payments of fees as brokerage alleged in subparagraph (A) above, it charges them prices which are lower than those charged small buyers. The prices are lower by amounts which are same or substantially the same as the brokerage fees that the Association pays to its brokers for effecting sales, as its agents, to small buyers.

Such lower prices are charged direct buyers in the same manner as they are charged buying brokers as alleged in subparagraph (B) above.

PAR. 5. In making payments of fees as brokerage, as alleged in Paragraph Four (A), and in charging lower prices, as alleged in Paragraphs Four (B) and Four (C), the Association paid or granted, in the course and conduct of its business in commerce, something of value as a commission, brokerage, or other compensation, and allowances and discounts in lieu thereof, in connection with the sale of vegetables, to the other parties to such transactions, or to their agents, representa-

tives or other intermediaries therein who were acting in fact for or in behalf, or subject to the direct or indirect control, of such other parties.

PAR. 6. The acts and practices of the respondent as above alleged violate subsection (c) of section 2 of the Clayton Act as amended by the Robinson-Patman Act (U. S. C. Title 15, Section 13).

CONSENT SETTLEMENT¹

Pursuant to the provisions of an Act of Congress entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, (the Clayton Act), as amended by an Act of Congress approved June 19, 1936, (the Robinson-Patman Act) the Federal Trade Commission, on September 10, 1951, issued and subsequently served its complaint on the respondent named in the caption hereof, charging it with violation of subsection (c) of Section 2 of said Clayton Act as amended.

The respondent, desiring that this proceeding be disposed of by the consent settlement procedure provided in Rule V of the Commission's Rules of Practice, solely for the purposes of this proceeding, any review thereof, and the enforcement of the order consented to, and conditioned upon the Commission's acceptance of the consent settlement hereinafter set forth, and in lieu of the answer to said complaint heretofore filed and which, upon acceptance by the Commission of this settlement, is to be withdrawn from the record, hereby:

1. Admits all the jurisdictional allegations set forth in the complaint.

2. Consents that the Commission may enter the matters hereinafter set forth as its findings as to the facts, conclusion, and order to cease and desist. It is understood that the respondent, in consenting to the Commission's entry of said findings as to the facts, conclusion, and order to cease and desist, specifically refrains from admitting or denying that it has engaged in any of the acts or practices stated therein to be in violation of law.

¹ The Commission's "Notice" announcing and promulgating the consent settlement as published herewith, follows:

The consent settlement tendered by the parties in this proceeding, a copy of which is served herewith, was accepted by the Commission on January 31, 1952, and ordered entered of record as the Commission's findings as to the facts, conclusion, and order to cease and desist.

It is accordingly ordered, That the respondent, Hastings Potato Growers Association, a corporation, shall, within sixty (60) days after service upon it of this notice and order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist contained in the consent settlement entered in disposition of this proceeding.

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3. Agrees that this consent settlement may be set aside in whole or in part under the conditions and in the manner provided in paragraph (f) of Rule V of the Commission's Rules of Practice.

The admitted jurisdictional facts, the statement of the acts and practices which the Commission had reason to believe were unlawful, the conclusion based thereon, and the order to cease and desist, all of which the respondent consents may be entered herein in final disposition of this proceeding, are as follows:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Hastings Potato Growers Association, hereinafter sometimes referred to as the Association, is a cooperative corporation, organized, existing and doing business under and by virtue of the laws of the State of Florida, with its principal office and place of business located at Hastings, Florida.

PAR. 2. The Association is now, and continuously for many years last past has been engaged in the business of selling potatoes and other vegetables produced in Florida by its members to three principal kinds of buyers.

The Association employs brokers who, as its agents, sell such vegetables to most buyers (hereinafter sometimes referred to as small buyers) who usually purchase in smaller volumes. As compensation for services rendered in effecting such sales to small buyers, the Association pays such brokers a brokerage fee. Such brokerage fees vary from about three cents to ten cents per hundredweight.

In addition to selling such vegetables to small buyers as agents of the Association, some of such brokers (hereinafter sometimes referred to as "buying brokers") also purchase such vegetables from the Association for their own accounts for resale.

The Association also sells vegetables directly to other buyers, including some chain store organizations (hereinafter sometimes referred to as direct buyers) who usually purchase in larger volumes for their own account for use or resale.

PAR. 3. In the course and conduct of such business, the Association causes such vegetables so sold to be transported from its place of business or from elsewhere in Florida to the places of business of such buyers, some of which are located in Florida and some of which are located elsewhere in the United States. All sales of vegetables by the Association hereinafter referred to involved such transportation from Florida to such buyers with places of business located elsewhere and occurred during approximately the three or four years last past.

PAR. 4. (A) The Association pays a fee as brokerage to buying brokers in connection with the sale of potatoes to them in the same

manner as it pays a brokerage fee to them and other brokers for effecting sales, as its agents, to small buyers, and in the same or substantially the same amounts. In these transactions the Association invoices buying brokers, and they remit to the Association, at prices which are the same as those charged small buyers; but the buying brokers render to the Association, and the Association pays, bills which set forth, in addition to brokerage fees earned for effecting sales, as its agents, to small buyers, fees as brokerage in connection with such sales made to them for their own account for resale or which set forth only the latter.

(B) In connection with other sales of potatoes to buying brokers, instead of the Association making the payments of fees as brokerage alleged in subparagraph (A) above, it charges them prices which are lower than those charged small buyers. The prices are lower by amounts which are the same or substantially the same as the brokerage fees that the Association pays to its brokers for effecting sales, as its agents, to small buyers.

In some of these transactions, the Association invoices buying brokers, and they remit to the Association, at such lower prices. When this has been done, the Association sometimes indicates the fact by a notation on the invoice that the price is "net."

In other of these transactions, the Association invoices buying brokers at prices which are the same as those charged small buyers but the buying brokers remit to the Association at such lower prices, being permitted by the Association to deduct the necessary discount or allowance. When this is to be done, the Association sometimes indicates the fact by omitting the notation "net" on the invoice.

(C) In connection with sales of potatoes to direct buyers, instead of the Association making the payments of fees as brokerage alleged in subparagraph (A) above, it charges them prices which are lower than those charged small buyers. The prices are lower by amounts which are the same or substantially the same as the brokerage fees that the Association pays to its brokers for effecting sales, as its agents, to small buyers.

Such lower prices are charged direct buyers in the same manner as they are charged buying brokers as alleged in subparagraph (B) above.

PAR. 5. In making payments of fees as brokerage, as alleged in Paragraph Four (A), and in charging lower prices, as alleged in Paragraphs Four (B) and Four (C), the Association paid or granted, in the course and conduct of its business in commerce, something of value as a commission, brokerage, or other compensation, and allowances and discounts in lieu thereof, in connection with the sale of vege-

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tables, to the other parties to such transactions, or to their agents, representatives or other intermediaries therein who were acting in fact for or in behalf, or subject to the direct or indirect control, of such other parties.

CONCLUSION

The acts and practices of the respondent as above found violate subsection (c) of Section 2 of the Clayton Act as amended by the Robinson-Patman Act (U. S. C. Title 15, Section 13).

ORDER TO CEASE AND DESIST

It is ordered, That the respondent Hastings Potato Growers Association, a corporation, and its officers, directors, agents or employees, directly or through any corporate or any other device, in connection with the sale of potatoes or any other vegetable in interstate commerce, do forthwith cease and desist from:

1. Making payments to brokers on purchases for their own accounts in amounts which are the same as the amounts of brokerage fees paid to brokers effecting sales, as agents, to other purchasers, or in any other amounts which are also paid as brokerage, whether such payments are made upon being billed therefor or otherwise;

2. Granting a discount or allowance to any purchaser which makes the price to such purchaser lower than the prices at which sales are made to other purchasers, by any amount which is the same as the amount of brokerage fees paid to brokers effecting sales, as agents, to such other purchasers, or lower in any other amounts which are also in lieu of brokerage, whether such lower prices are charged by invoicing at "net" prices, or by permitting the purchasers to make a deduction from invoiced prices in remitting payment, or by any other device;

3. Paying or granting anything of value as a commission, brokerage or other compensation or allowance or discount in lieu thereof to the other parties to such transactions, or to their agents, representatives or other intermediaries therein who in fact act for or in behalf, or are subject to the direct or indirect control, of such other parties.

(sgd) HASTINGS POTATO GROWERS ASSOCIATION,
Hastings Potato Growers Association,

By (sgd) COUNTS JOHNSON, *Its Attorney.*

[Date] November 20, 1951.

The foregoing consent settlement is hereby accepted by the Federal Trade Commission and ordered entered of record on this the 31st day of January 1952.

Complaint

IN THE MATTER OF

ALBERT COHN AND IRVING AND LOUIS KURASH DOING
BUSINESS AS PROFESSIONAL REMINDER SERVICE

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

Docket 5762. Complaint, Apr. 7, 1950—Decision, Feb. 11, 1952

Judicial notice is taken of the fact that the words "engraving" and "engraved", when used in connection with or descriptive of business or social stationery, have specific meanings. *Federal Trade Commission v. Benton Announcements, Inc.*, 130 F. (2d) 254; 35 F. T. C. 941; 3 S. & D. 495.

Where three partners engaged in the printing of greeting cards and in the interstate sale and distribution thereof—

Represented through statements in circulars, in which were included the terms "plateless engraved" and "plateless engraving", that their greeting cards were engraved by some process in which a plate was not used;

The facts being that said cards were not engraved but were printed by the thermographic process in which, following regular printing, the wet ink is dusted with a powdered chemical and baked, with resulting raised letter effect resembling engraving;

With effect of misleading a substantial portion of the purchasing public into the erroneous belief that said cards were engraved, and of inducing its purchase thereof in such belief; and with capacity and tendency so to do:

Held, That such 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.

Before *Mr. J. Earl Cox*, hearing examiner.

Mr. Edward F. Downs 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 Albert Cohn, Irving Kurash, and Louis Kurash doing business as Professional Reminder Service, a copartnership, 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. Respondents Albert Cohn, Irving Kurash and Louis Kurash are copartners doing business under the name of Professional Reminder Service with their principal office and place of business at 42 East 23d Street, New York, New York.

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PAR. 2. Respondents are now, and for several years last past have been, engaged in the printing of greeting cards and in the sale and distribution thereof in commerce between and among the various States of the United States and in the District of Columbia. Respondents cause said cards, when sold, to be transported from their said place of business in the State of New York to the purchasers thereof, many of whom were and are located in States of the United States other than the State of New York and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said cards in 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 business as aforesaid, and for the purpose of inducing the purchase of their said greeting cards in commerce, as "commerce" is defined in the Federal Trade Commission Act, respondents have printed and circulated throughout the several States to prospective customers a circular containing, among other things, the following statement:

Our rates are reasonable. All cards are plateless engraved on white vellum paper as per enclosed sample.

The bottom portion of this circular is an order blank to be detached from the upper portion and filled in as per the desired order, and the enclosed sample referred to in the circular is a sample of respondents' greeting cards with the lettering thereon having a raised appearance.

PAR. 4. Respondents, through the use of the term "plateless engraved" represented that their greeting cards were engraved by some process in which a plate was not used.

Said representation was false, misleading and deceptive. Respondents' cards were not engraved but were printed by what is known as the thermographic process. This process consists of regular printing, after which the wet ink is dusted with a chemical in powdered form and then baked, which causes the chemical to melt, fuse with ink, become solid and present a raised letter effect having the appearance of engraving.

PAR. 5. The use by respondents of the term "plateless engraved" as aforesaid had the tendency and capacity to mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that said greeting cards were engraved and because of such erroneous and mistaken belief to purchase respondents' said greeting cards.

PAR. 6. The aforesaid acts and practices of 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.

DECISION OF THE COMMISSION

Pursuant to Rule XXII of the Commission's Rules of Practice, and as set forth in the Commission's "Decision of the Commission and Order to File Report of Compliance", dated February 11, 1952, the initial decision in the instant matter of Hearing Examiner J. Earl Cox, as set out as follows, became on that date the decision of the Commission.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on April 7, 1950, issued and subsequently served its complaint in this proceeding upon respondents Albert Cohn, Irving Kurash and Louis Kurash, doing business as Professional Reminder Service, a copartnership, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said Act. After respondents filed their answer in this proceeding, a stipulation was entered into whereby it was stipulated and agreed that a statement of facts signed and executed by respondents Albert Cohn, Irving Kurash and Louis Kurash and Edward F. Downs, counsel supporting the complaint, for the Federal Trade Commission, may be taken as the facts in this proceeding and in lieu of testimony in support of and in opposition to the charges stated in the complaint, and that the said statement of facts may serve as the basis for findings as to the facts and conclusion based thereon and order disposing of the proceeding, without presentation of proposed findings and conclusions or oral argument. Said stipulation as to the facts expressly provides that upon appeal to or review by the Commission, said stipulation may be set aside by the Commission and this matter remanded for further proceedings under the complaint. Thereafter, this proceeding regularly came on for final consideration by said hearing examiner upon the complaint, answer, and stipulation, said stipulation having been approved by the hearing examiner, who, after duly considering the record herein, finds that this proceeding is in the interest of the public and makes the following findings as to the facts, conclusion drawn therefrom, and order:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondents Albert Cohn, Irving Kurash and Louis Kurash are copartners doing business under the name of Professional Reminder Service, with their principal office and place of business at 42 East 23rd Street, New York, New York.

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PAR. 2. Respondents are now, and for several years last past have been, engaged in the printing of greeting cards and in the sale and distribution thereof in commerce between and among the various States of the United States and in the District of Columbia. Respondents cause said cards, when sold, to be transported from their said place of business in the State of New York to the purchasers thereof, many of whom were and are located in States of the United States other than the State of New York and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in said cards in 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 business, as aforesaid, and for the purpose of inducing the purchase of their said greeting cards in commerce, as "commerce" is defined in the Federal Trade Commission Act, respondents have printed and circulated throughout the United States to prospective customers a circular containing, among other things, the following statement:

Our rates are reasonable. All cards are plateless engraved on white vellum paper as per enclosed sample.

The bottom portion of this circular bears an order blank to be detached from the upper portion and filled in as per the desired order. The enclosed sample referred to in the circular is one of respondents' greeting cards with the lettering thereon having a raised appearance.

Since December 1948 respondents have issued the circulars containing the statement quoted above with an asterisk following the term "plateless engraved." This asterisk refers to a footnote contained in the circular, which reads as follows:

Plateless engraving is a modern printing process without special plates or dies which is called by various names but is also commonly known as the thermographic process. It creates engraved effects which make it indistinguishable from engraving from special plates or dies except to an expert in the field.

PAR. 4. The respondents through the use of these statements and especially through the use of the terms "plateless engraved" and "plateless engraving" having represented that their greeting cards were and are engraved by some process in which a plate is not used.

PAR. 5. Said representations are false, misleading and deceptive. Respondents' cards are not engraved but are printed by what is known as the thermographic process. This process consists of regular printing, after which the wet ink is dusted with a chemical in powdered form and then baked, which causes the chemical to melt, fuse with the ink, become solid and present a raised letter effect having the appearance of engraving.

PAR. 6. The use by respondents of the statements set forth above and especially of the terms "plateless engraved" and "plateless engraving" had, and now has, the tendency and capacity to, and did, and does, mislead a substantial portion of the purchasing public into the erroneous and mistaken belief that said greeting cards are engraved and because of such erroneous and mistaken belief to purchase respondents' said greeting cards.

PAR. 7. Judicial notice is taken of the fact that the words "engraving" and "engraved," when used in connection with or descriptive of, business or social stationery, have specific meanings:

The word "engraving," as it is used in the graphic arts, may be applied either to an engraved intaglio plate upon which letters, words, or designs have been incised or cut or to the impressions made from such a plate. Such plates are cut or incised by hand, by machine, by etching with acid, by a transfer from other engraving, and by other means, but in all cases the letters, words or designs so to be produced upon stationery are cut below the surface of the plate. To make impressions from such a plate, the ink is applied to the plate, then the plate is wiped so that the ink remains only in the lines cut below the surface. The inked plate is then put upon a piece of stationery or article to be engraved, and pressure is applied sufficient to force the surface of the stationery into the lines cut in the plate, causing the ink in such lines to adhere to the paper on which the impression is to be made.

The words "engraving" and "engraved," when used in connection with, or descriptive of, business or social stationery, mean, and the trade and consuming public understand, and for many years have understood them to mean, that the stationery products so being referred to or described contain letters, words, or designs which are raised from the general plane of the stationery surface, and are in relief, and are the result of the application, under pressure, of metal plates which have been specially engraved, cut or carved for, and are used in, the production of such stationery by the process more particularly described in the foregoing paragraph. (*Federal Trade Commission v. Benton Announcements, Inc.*, 31 F. T. C. 882, affirmed 130 F. (2d) 254, CCA 2d Circuit, July 6, 1942.)

CONCLUSION

The aforesaid acts and practices of respondents, 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

It is ordered, That the respondents, Albert Cohn, Irving Kurash and Louis Kurash, individually and as partners, doing business as Professional Reminder Service, their representatives, agents and employees, directly or indirectly, through any corporate or other device, in connection with the offering for sale, sale, and distribution of stationery

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products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Using the words "engraved" or "engraving," either alone or in conjunction with any other word or words, to designate, describe or refer to stationery products on which the lettering, inscriptions or designs have been printed from inked type faces and have been given a raised effect by an embossing process in which no plates have been used and the embossing effect has been procured by the application of powders to wet ink in what has been described as the thermographic process.

(2) Using the words "engraved" or "engraving," either alone or in conjunction with any other word or words, to designate, describe or refer to stationery products unless and until the respondents produce the stationery products so designated, described or referred to by a process which consists essentially in the application of blank stationery to an inked intaglio plate under pressure sufficient to force the surface of the stationery into the letters or designs which are cut or incised on the plate so that the ink in such plate adheres to the stationery to form letters, words, characters or designs which are in relief and raised from the general plane of the surface of the stationery.

ORDER TO FILE REPORT OF COMPLIANCE

It is ordered, That the respondents herein shall, within sixty (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 the order to cease and desist [as required by said declaratory decision and order of February 11, 1952].

Complaint

IN THE MATTER OF

IRVING SALZMAN TRADING AS UNION MILL ENDS

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

Docket 5927. Complaint, Oct. 9, 1951—Decision, Feb. 11, 1952

Where an individual engaged in the mail order sale of assortments of cloth to the general public in different states, in advertising in newspapers, periodicals, and other advertising literature—

- (a) Represented that this assortment of remnants consisted chiefly of pieces of material of sufficient size to make aprons, skirts, jackets, play clothes, pinafores and sun suits and that his assortment of dress goods consisted entirely of prints, percales, ginghams, shirtings and similar materials;

The facts being that the remnant assortment consisted chiefly of scraps, trimmings and small irregular pieces of cloth, and included only a few pieces of material large enough to make the aforesaid garments; and a substantial part of the dress goods assortment consisted of goods other than those claimed;

- (b) Falsely represented that purchasers of his assortments would be given twenty-five button cards "free" and that the button cards were customarily sold elsewhere for 25 cents each;

The facts being that it was necessary to pay for the assortment before button cards were furnished and the price thereof was included in that charged for the assortment, except in the event the assortment was returned and the purchase price refunded; and such button cards were customarily sold by retailers for much less than 25 cents; and

- (c) Falsely represented that his said offer was a "get-acquainted" offer and good for a short time only; when in fact it comprised part of a continuous scheme of solicitation;

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

Held, That such 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.

Before *Mr. J. Earl Cox*, hearing examiner.

Mr. B. L. Williams 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 Irving Salzman, an individual trading as Union Mill Ends, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing