

Order

IN THE MATTER OF

RENE D. LYON COMPANY, INC. ET AL.

MODIFIED ORDER TO CEASE AND DESIST

Docket 5859. Order, February 14, 1952

Order modifying prior order of Commission of September 20, 1951, at page 313, *supra*, in the public interest so as to prohibit adequately "a continuation of the unlawful acts and practices" there set forth; and

To require respondents, etc.; in connection with the offer, etc., of watch or wrist bands or similar products of foreign origin, in commerce, to cease and desist from offering the same without clearly and conspicuously disclosing the country of their origin, etc. as in the order specified.

Before *Mr. Webster Ballinger*, hearing examiner.

Mr. William L. Taggart for the Commission.

ORDER REOPENING PROCEEDING AND MODIFYING ORDER TO CEASE AND
DESIST

The Commission, on its own motion, having reconsidered its decision of September 20, 1951, in this matter, and it appearing that the order to cease and desist in said decision is inadequate to prohibit a continuation of the unlawful acts and practices set forth in the findings as to the facts in said decision and that the public interest may require that this proceeding be reopened and said order to cease and desist modified; and the Commission having issued its rule to show cause why the proceeding should not be reopened and the order to cease and desist modified in the respects indicated therein, and no reasons having been presented as to why the public interest does not require that this proceeding be reopened and the order to cease and desist modified; and

The Commission having duly considered the matter and being of the opinion that the public interest requires that this proceeding be reopened and the order to cease and desist modified:

It is ordered, That this proceeding be, and it hereby is, reopened for the purpose of modifying the order to cease and desist previously entered herein.

It is further ordered, That said order to cease and desist be, and it hereby is, modified to read as follows:

Order

48 F. T. C.

MODIFIED ORDER

It is ordered, That the respondents, Rene D. Lyon Company, Inc., a corporation, its officers, and Rene D. Lyon and Donald A. Lyon, individually, and their respective representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of watch or wrist bands or similar products, of foreign origin, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale or selling said products without clearly and conspicuously disclosing thereon or in immediate connection therewith the country of origin of such products.

2. Representing in any manner that said products are of domestic manufacture.

It is further ordered, That the respondents 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 this order.

Syllabus

IN THE MATTER OF

DUON, INCORPORATED AND DONALD H. MILLER

COMPLAINT, SETTLEMENT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914 AND OF SEC. 3 OF AN ACT APPROVED OCT. 15, 1914

Docket 5933. Complaint, Oct. 26, 1951—Decision, Feb. 14, 1952

Where a corporation and its president, engaged in the manufacture and competitive interstate sale and distribution of shampoos and other cosmetic preparations, particularly "Vita Fluff Creme Shampoo", "Criterion Creme Shampoo", and "Custombuilt Creme", through some two hundred jobbers to professional beauty shops and operators, primarily;

- (a) Made and imposed conditions, agreements and understandings that its jobbers, distributors and other parties would not sell, handle or otherwise distribute creme shampoos made and sold by its competitors; and, in order to enforce such conditions and their objectives—
- (b) Required jobbers, by coercive and intimidating means, to purchase and deal in shampoos and cosmetic preparations made and sold by it;
- (c) Policed the sales and activities of jobbers through an identifying code placed upon its products ordered by each, and investigated and checked sales made by them;
- (d) Refused or threatened to refuse shipments of its products to jobbers unless they refrained from selling certain shampoos and cosmetic preparations produced and sold by its competitors;
- (e) Refused or threatened to refuse sale of its "Vita Fluff Creme Shampoo", and at times other cosmetic preparations, unless and until such jobbers bought or agreed to buy certain other products made and sold by it, or unless and until, they purchased through it certain advertising material, viz., calendars;
- (f) Refused to fill orders placed with it by certain of its jobbers when it was discovered that they had sold shampoo and other cosmetic preparations made by its competitors; and,
- (g) Refused or threatened to refuse shipment of its products to jobbers who sub-jobbed or sold its products to jobbers with whom it did not deal directly, because latter dealt in products produced or sold by its competitors;

Which acts, practices and methods lessened competition; prevented its jobbers or distributors from receiving the benefits to be derived from purchasing and selling competitive products sought and purchased from other sources by customers of said jobbers; precluded manufacturing competitors from selling certain of their products to purchasers of said corporation's products; and precluded jobbers and distributors of its products who did not agree to purchase and sell the same exclusively, from purchasing and selling such products; and had the capacity and tendency so to do; to the prejudice of the public; and

With the result that the further effect of aforesaid sales and contracts for sale on the aforesaid conditions, agreements and understandings might be to substantially lessen competition in the line of commerce in which said corporation and individual were engaged, and in that in which the