

Complaint

IN THE MATTER OF
RONSON CORPORATION, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND OF SECS. 2(a) AND 2(d)
OF THE CLAYTON ACT

Docket 7066. Complaint, Feb. 19, 1958—Decision, Jan. 8, 1959

Consent order requiring a major producer of cigar and cigarette lighters and electric shavers to cease entering into price-fixing agreements with its retail customers in States having Fair Trade laws, which were illegal in that it was in competition with some of such customers in its own retail operations; to cease discriminating in price among its customers through paying allowances for cooperative advertising to some of them but not to all, and granting such allowances on unequal terms; and requiring said producer and its 11 named "Service Subsidiaries" to cease discriminating in price by selling to some customers at higher net prices than to others.

COMPLAINT

The Federal Trade Commission, having reason to believe that the parties respondent, named in the caption hereof and more particularly designated and described hereinafter, have violated and are now violating the provisions of Section 5 of the Federal Trade Commission Act (U.S.C. Title 15, Sec. 45); and that respondent Ronson Corporation has violated and is now violating the provisions of subsections (a) and (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C. Title 15, Sec. 13), 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 with respect thereto as follows:

Count I

PARAGRAPH 1. Respondent Ronson Corporation, sometimes hereinafter referred to as respondent Ronson, is a corporation organized and existing under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 31 Fulton Street, Newark 2, N.J.

PAR. 2. Respondent Ronson Service of California is a corporation organized and existing under and by virtue of the laws of the State of California with its principal office and place of business located at 233 Post Street, San Francisco 8, Calif.

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Respondent Ronson Service of Colorado, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Colorado with its principal office and place of business located at 1554 California Street, Denver 3, Colo.

Respondent Ronson Service of Georgia, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Georgia with its principal office and place of business located at 90 Forsyth Street, NW., Atlanta 3, Ga.

Respondent Ronson Service of Illinois, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois with its principal office and place of business located at 22 West Madison Street, Chicago 2, Ill.

Respondent Ronson Service of Maryland, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Maryland with its principal office and place of business located at 16 Park Avenue, Baltimore 1, Md.

Respondent Ronson Service of Massachusetts, Inc., is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Massachusetts with its principal office and place of business located at 44 School Street, Boston 8, Mass.

Respondent Ronson Service, Inc. (Michigan), is a corporation organized and existing under and by virtue of the laws of the State of Michigan with its principal office and place of business located at 149 Michigan Avenue, Detroit 26, Mich.

Respondent Ronson Service, Inc. (N.Y.) is a corporation organized and existing under and by virtue of the laws of the State of New York with its principal office and place of business located at 347 Fifth Avenue, New York 16, N.Y.

Respondent Ronson Service of Ohio, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Ohio with its principal office and place of business located in the Schofield Building, Ninth at Euclid Avenue, Cleveland 15, Ohio.

Respondent Ronson Service, Inc., of Pennsylvania, is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania with its principal office and place of business located at 123 North Broad Street, Philadelphia 7, Pa.

Respondent Ronson Service of Washington, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Washington, with its principal office and place of

business located in the Joshua Green Building, Fourth and Pike Streets, Seattle 1, Wash.

The respondents named in paragraph 2 hereof and sometimes hereinafter collectively referred to as respondent Service Subsidiaries, are wholly owned and controlled by and are instrumentalities and agencies of respondent Ronson and are operated as divisions or branches of said respondent.

In addition to the foregoing locations, the California and New York Service Subsidiaries hereinbefore designated maintain and operate service stores located at 610 South Broadway, Los Angeles, Calif., and at 150 Fulton Street, New York, N.Y., respectively. In addition, respondent Ronson operates a service branch in its own name at 60 Park Place, Newark, N.J.

The main function of respondent Service Subsidiaries is to repair lighters and shavers sold by respondent Ronson but they also are engaged in the resale of such products to the consuming public at prices fixed and established by respondent Ronson.

PAR. 3. Respondent Ronson is a major producer of cigar and cigarette lighters and accessories and electric shavers in the United States. In 1956, the consolidated net sales of respondent Ronson and its wholly owned subsidiaries amounted to \$31,951,000.

Said respondent owns and controls several subsidiary corporations in addition to respondent Service Subsidiaries, some of which manufacture the products which are sold by respondent Ronson. These are Ronson Corporation of Pennsylvania, a Pennsylvania corporation, which manufactures lighters and accessories and sells to respondent Ronson only; Ronson Electric Shaver Corporation, a Connecticut corporation, which manufactures shavers and sells to the parent, respondent Ronson, only; and New Process Metals, Inc., a New Jersey corporation, which manufactures flints, selling to respondent Ronson and also to others.

PAR. 4. In the course and conduct of its said business respondent Ronson is now and for many years past has been shipping "Ronson" electric shavers, lighters and accessories from the States where such products are manufactured, kept, or stored to customers located in other states and in the District of Columbia in a constant current of commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Respondent Service Subsidiaries are also engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act in that they receive, for resale, shipments of Ronson products from outside the states in which such subsidiaries are

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located and as such are engaged in and are a part of the current of commerce in such products between and among the several States and in the District of Columbia.

PAR. 6. In the course and conduct of its said business in commerce, respondent Ronson has been and is now in competition with persons, firms, and other corporations likewise engaged in the manufacture, sale, and distribution in commerce of lighters and accessories and electric shavers.

Respondent Service Subsidiaries in the course and conduct of their said business in commerce have been and are now in competition with others, some in commerce, in the resale of lighters and accessories and electric shavers to consumers.

Respondent Ronson sells its electric shavers, and lighters and accessories primarily through approximately 2,500 wholesale distributors, principally drug, jewelry, electrical, hardware and tobacco distributors. In addition, said respondent sells said products direct to many retail accounts, principally larger department stores, credit jewelers, chain stores, mail order houses, and certain other retail outlets. Respondent Service Subsidiaries sell Ronson products in their various stores and service shops to consumers and occasionally to retail dealers.

Many of the retail dealers to whom respondent Ronson and respondent Service Subsidiaries sell said products were and are in competition, some in commerce, with each other and with said respondents in the resale of such products to consumers.

PAR. 7. Respondent Ronson has entered into contracts with approximately 2,500 wholesale distributors, such contracts being designated as "Ronson Corporation-Distributor's Agreement" each of which provides for the appointment by said respondent of an authorized distributor of products bearing the "Ronson" trade name.

Such agreements provide further that respondent Ronson will sell Ronson products to the distributor at "the current distributor's prices," meaning list less wholesale discount; that said respondent will periodically supply the distributor with sales promotional advertising material; that the distributor will not sell Ronson products to retailers for resale to consumers unless such retailers have entered into Fair Trade contracts with respondent Ronson; and that the distributor will sell Ronson products which are Fair-Traded, only to those distributors who have signed Distributor Agreements with respondent Ronson and are authorized Ronson wholesale distributors.

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PAR. 8. Respondent Ronson has, from time to time, entered into contracts with a substantial number of retail dealers purchasing direct from said respondent and from respondent's wholesale distributors, whereby the minimum retail prices of the trademarked electric shavers, lighters and accessories of respondent Ronson have been and are now fixed by said respondent and such prices have been and are now maintained in the resale of such products by said retail dealers in those states having Fair Trade laws. Such contracts or agreements are generally referred to as "Fair Trade contracts or agreements."

Respondent Ronson has enforced such contracts by policing the trade and by instituting injunctive proceedings in the courts and said respondent has at times obtained injunctions against retail dealers who have sold Ronson products at prices below those established by said respondent and set forth in such Fair Trade agreements.

Respondent Ronson has compelled many of its retail dealers who offer for sale and sell Ronson products, and who have not entered into any Fair Trade contracts or agreements with respondent regarding resale prices, to observe the minimum retail prices fixed by respondent for said products.

Said respondent has and does now further maintain the observance of the fixed resale prices of its said products by prohibiting in connection with the resale thereof the offering or giving of any article of value, or the offering or making of any other concession or privilege which has the practical result of reducing the selling price of such products below the minimum resale price fixed by said respondent.

PAR. 9. The said products for which respondent Ronson has fixed and maintained and now fixes and maintains the prices at which same are to be resold by retail stores, have been and are now sold by respondent Ronson and respondent Service Subsidiaries through the retail outlets of such subsidiaries in the various States having Fair Trade laws, in which they sell in competition with such retail dealers located in the same marketing areas as the outlets of respondent Service Subsidiaries.

PAR. 10. The agreements that respondent Ronson has entered into with retail dealers, referred to as "Fair Trade agreements," whereby it fixes and maintains the minimum retail prices of its trademarked products, are in unlawful restraint of trade in that said respondent and respondent Service Subsidiaries compete with some of the said retail dealers who have agreed with respondent

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Ronson to maintain minimum retail prices for the resale of such products and as such constitute agreements between persons, firms, or corporations in competition with each other.

PAR. 11. The said distributors' agreements which respondent Ronson has entered into with its various wholesale distributors, providing for the appointment of authorized distributors of Ronson products, are in unlawful restraint of trade in that they require, among other things, that the authorized Ronson distributor will sell only to those retail dealers who have agreed by way of Fair Trade contracts to resell Ronson products at minimum prices fixed by respondent Ronson. Since it is alleged that such Fair Trade contracts are in restraint of trade the said distributors' agreements which require that retail dealers shall have entered into Fair Trade contracts with respondent Ronson before sales of Ronson trademarked products can be made to such retailers for resale, are likewise alleged to be unlawfully in restraint of trade.

PAR. 12. The acts, practices, methods, and agreements of respondents, as hereinbefore alleged and described, are all to the prejudice of the public, have a dangerous tendency to unduly hinder competition and create a monopoly in respondents in the sale of electric shavers, lighters, and accessories and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Count II

PAR. 13. Paragraphs 1 and 3 of Count I hereof are hereby set forth by reference and made a part of this Count as fully and with the same effect as if quoted here verbatim.

PAR. 14. In the course and conduct of its business respondent Ronson is now and for many years past has been shipping "Ronson" electric shavers, lighters, and accessories from the States where such products are manufactured, kept, or stored to customers located in other states and in the District of Columbia in a constant current of commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 15. In the course and conduct of its business in commerce respondent Ronson has been and is now in competition with persons, firms, and other corporations likewise engaged in the manufacture, sale, and distribution in commerce of electric shavers, lighters, and accessories. Many of respondent's purchasers are

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PAR. 8. Respondent Ronson has, from time to time, entered into contracts with a substantial number of retail dealers purchasing direct from said respondent and from respondent's wholesale distributors, whereby the minimum retail prices of the trademarked electric shavers, lighters and accessories of respondent Ronson have been and are now fixed by said respondent and such prices have been and are now maintained in the resale of such products by said retail dealers in those states having Fair Trade laws. Such contracts or agreements are generally referred to as "Fair Trade contracts or agreements."

Respondent Ronson has enforced such contracts by policing the trade and by instituting injunctive proceedings in the courts and said respondent has at times obtained injunctions against retail dealers who have sold Ronson products at prices below those established by said respondent and set forth in such Fair Trade agreements.

Respondent Ronson has compelled many of its retail dealers who offer for sale and sell Ronson products, and who have not entered into any Fair Trade contracts or agreements with respondent regarding resale prices, to observe the minimum retail prices fixed by respondent for said products.

Said respondent has and does now further maintain the observance of the fixed resale prices of its said products by prohibiting in connection with the resale thereof the offering or giving of any article of value, or the offering or making of any other concession or privilege which has the practical result of reducing the selling price of such products below the minimum resale price fixed by said respondent.

PAR. 9. The said products for which respondent Ronson has fixed and maintained and now fixes and maintains the prices at which same are to be resold by retail stores, have been and are now sold by respondent Ronson and respondent Service Subsidiaries through the retail outlets of such subsidiaries in the various States having Fair Trade laws, in which they sell in competition with such retail dealers located in the same marketing areas as the outlets of respondent Service Subsidiaries.

PAR. 10. The agreements that respondent Ronson has entered into with retail dealers, referred to as "Fair Trade agreements," whereby it fixes and maintains the minimum retail prices of its trademarked products, are in unlawful restraint of trade in that said respondent and respondent Service Subsidiaries compete with some of the said retail dealers who have agreed with respondent

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Ronson to maintain minimum retail prices for the resale of such products and as such constitute agreements between persons, firms, or corporations in competition with each other.

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PAR. 12. The acts, practices, methods, and agreements of respondents, as hereinbefore alleged and described, are all to the prejudice of the public, have a dangerous tendency to unduly hinder competition and create a monopoly in respondents in the sale of electric shavers, lighters, and accessories and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Count II

PAR. 13. Paragraphs 1 and 3 of Count I hereof are hereby set forth by reference and made a part of this Count as fully and with the same effect as if quoted here verbatim.

PAR. 14. In the course and conduct of its business respondent Ronson is now and for many years past has been shipping "Ronson" electric shavers, lighters, and accessories from the States where such products are manufactured, kept, or stored to customers located in other states and in the District of Columbia in a constant current of commerce, as "commerce" is defined in the Clayton Act, as amended.

PAR. 15. In the course and conduct of its business in commerce respondent Ronson has been and is now in competition with persons, firms, and other corporations likewise engaged in the manufacture, sale, and distribution in commerce of electric shavers, lighters, and accessories. Many of respondent's purchasers are

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in competition with one another at their respective levels of trade.

Said respondent sells "Ronson" electric shavers, lighters, and accessories to wholesalers, retailers, and through the stores and shops of its various service subsidiaries to consumers. Sales are made to wholesalers, retail chain stores, large department stores, mail order houses, and a number of other retail outlets direct from the factories of respondent's manufacturing subsidiaries located in the States of Connecticut, New Jersey, and Pennsylvania. Other sales are made to consumers, and occasionally to retail dealers, from the various stores and shops of respondent's service subsidiary companies named in Count I hereof.

The wholesale purchasers of respondent Ronson resell Ronson electric shavers, lighters, and accessories to retailers. It is alleged that such retailers are purchasers of respondent Ronson within the meaning of the Clayton Act, as amended. As illustrative of such relationship, respondent Ronson recognizes retailers buying through its wholesale distributor purchasers by personally soliciting them through its own sales representatives or field merchandizers, by drop-shipping Ronson products to them on orders by wholesalers, by making effective its price policies and schedules as applied to its wholesale purchasers and their retail customers in those states having Fair Trade laws, and by dealing directly with such retail customers with respect to its advertising programs promoting the sale of Ronson shavers, lighters, and accessories.

Many of the direct purchasers of respondent Ronson who purchase said respondent's electric shavers, lighters, and accessories, represent themselves to said respondent as being wholesalers, and are granted wholesalers' discounts when in truth and in fact said purchasers are retailers and not wholesalers, and are therefore competing purchasers with said respondent's indirect retail purchasers and with direct buying retail purchasers of respondent Ronson, as hereinbefore described. In many instances this is accomplished by the use of dummy or fictitious buying devices or instrumentalities often in the form of commonly owned or controlled corporations, subsidiaries, instrumentalities, or affiliates of large retail chains representing themselves to said respondent as doing a legitimate wholesale business when in truth and in fact their only business is to buy at wholesale for the particular retail chain with which they are so affiliated and identified.

PAR. 16. In the course and conduct of its business in commerce,

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respondent Ronson has discriminated in price in the sale of Ronson electric shavers, and lighters and accessories by selling such products of like grade and quality at different prices to different and competing purchasers.

Illustrative of such sales at discriminatory prices are the following pricing practices of said respondent:

During the year 1956 respondent Ronson sold electric shavers to its direct buying retailer-purchasers at a discount of 49% off list price. Also during 1956 said respondent sold electric shavers of like grade and quality to competing indirect retailer-purchasers who bought through wholesale distributors at discounts of about 40% from list price.

Respondent Ronson during 1956 sold its cigar and cigarette lighters to direct buying retailer-purchasers at 50% off list price. Also during 1956 said respondent sold such lighters of like grade and quality to competing indirect retailer-purchasers who bought through wholesale distributors at discounts of about 40% from list price.

During 1957 respondent Ronson sold electric shavers to direct buying retailers at 53% off list price and during 1957 said respondent sold electric shavers of like grade and quality to competing indirect retail purchasers through wholesale distributors at about 40% off list price.

Also during 1957 said respondent sold its lighters to direct buying retail purchasers at 50% off list price and during 1957 said respondent sold such lighters of like grade and quality to competing indirect retail purchasers through wholesale distributors at about 40% off list price.

During 1956 and 1957, respondent Ronson sold accessories to its direct buying retail purchasers at discounts of 50% off list price. During 1956 and 1957 said respondent sold its accessories of like grade and quality to competing indirect retail purchasers who bought through wholesale distributors at discounts of about 40% off list price.

PAR. 17. The effect of said discriminations in price by respondent Ronson in the sale of electric shavers and lighters and accessories has been or may be substantially to lessen, injure, destroy, or prevent competition:

1. Between said respondent and its competitors in the manufacture, sale, and distribution of such products.
2. Between direct buying purchasers of said respondent who

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are retailers in fact and competing indirect buying retailers of said respondent who purchase through wholesalers.

PAR. 18. The discriminations in price as herein alleged in Count II are in violation of subsection (a) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

Count III

PAR. 19. Paragraphs 1 and 3 of Count I hereof and paragraphs 14 and 15 of Count II hereof are hereby set forth by reference and made a part of this Count as fully and with the same effect as if quoted here verbatim.

PAR. 20. In the course and conduct of its business in commerce, as aforesaid, respondent Ronson has paid or contracted for the payment of money, goods, or other things of value to or for the benefit of some of its direct and indirect customers as compensation or in consideration for services or facilities furnished or agreed to be furnished by or through such customers in connection with the handling, sale or offering for sale of respondent's electric shavers, and lighters and accessories and said respondent has not made or contracted to make or offered to make such payments, allowances or consideration available on proportionally equal terms to all of its other direct and indirect customers competing in the sale and distribution of such products.

Respondent Ronson has executed, carried out, and put into effect its various discriminatory and disproportionate advertising practices in a variety of ways. The following practices are illustrative:

Respondent Ronson has in effect two principal plans whereby it grants allowances for cooperative newspaper, radio, television and "push money" advertising.

The first plan is for the benefit of direct buying retailers only, whereby respondent grants an allowance equal to a certain percentage of the customer's net purchases of all Ronson products, with the customer paying a given amount for advertising and respondent matching it in an amount not exceeding 8% of the retail selling price of the retailer's net purchases from Ronson in 1956, and 10% of such purchases in 1957. Under this plan such direct buying retail accounts were offered the Ronson Cooperative Advertising and Promotion Agreement to obtain the advertising allowance as aforementioned. Allowances for advertising under this plan have not been offered by respondent to its

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indirect retail purchasers, many of whom compete with those receiving such allowances.

In this plan respondent agrees to share the cost of advertising with its direct retail customers on a 50-50 cooperative basis with such customers. Respondent has granted to some of such customers a larger percentage of allowance than 50% and at the same time has allowed no more than 50% to competing customers.

The second plan used by respondent Ronson for granting advertising allowances is called the "Extended Shaver Advertising Plan," and applies only to respondent's electric shavers. Through this plan respondent allows its retail purchasers an amount for advertising of \$1.50 per shaver purchased and is only limited by the number of shavers purchased. In 1956 there were approximately 610 accounts who took advantage of this extended shaver plan.

In carrying out this plan each of respondent's salesmen is allowed a sum of money equivalent to the proportion that sales in his territory bears to total Ronson sales and such salesman then contacts wholesalers in his area who inform certain of the indirect accounts concerning such allowances. Payments of \$1.50 per shaver purchased are made either in cash or as a credit to the retailer's account.

The aforesaid second plan used by respondent Ronson in granting allowances for advertising includes the use of application forms executed by those retail dealers who have been offered and who desire to avail themselves of the plan.

Respondent's direct accounts must choose between the two plans as there is no provision for the use by a retail purchaser of both plans simultaneously. A direct account may obtain the 10% allowance on its purchases of all Ronson products except shavers and take the \$1.50 per shaver allowance in lieu of the 10%.

Respondent has never informed many of its indirect retail shaver purchasers of the existence of the Extended Shaver Plan and they have never been offered such \$1.50 per shaver allowance.

Respondent does not have any advertising allowance program in effect and has not made any offer of allowances for advertising to those of its indirect retail purchasers who purchase respondent's lighters and accessories but who do not purchase electric shavers.

Since January 1, 1956, in addition to the aforementioned two principal plans of advertising allowances, said respondent also

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has made payments or allowances for advertising based on other grounds or methods and has sometimes granted amounts for advertising in excess of the percentages heretofore set forth as maximum percentages. As an example of additional bases for granting advertising allowances, said respondent has done so on the volume of estimated future purchases to some accounts but not to others and has further deviated from the plans by granting over payments to some retailer-purchasers.

Respondent Ronson in the granting of advertising allowances to some customers has undertaken to spend and has spent disproportionate funds in relation to the cost or value of its products purchased by such customers, it being respondent's practice and policy to spend the bulk of its advertising funds on certain so-called "key accounts." At the same time respondent's advertising allowances were not made available on proportionally equal terms to all direct and indirect competing customers of respondent, selling its electric shavers, lighters, and accessories.

PAR. 21. The acts and practices as herein alleged in Count III are in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

Mr. William H. Smith and Mr. James R. Fruchterman supporting the complaint.

Surrey, Karasik, Gould and Efron, of Washington, D.C., by *Mr. Monroe Karasik*, for respondents.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on February 19, 1958, which complaint was amended by order of the undersigned filed August 15, 1958, charging respondents with having violated Section 5 of the Federal Trade Commission Act and subsections (a) and (d) of Section 2 of the Clayton Act, as amended. After being served with said complaint respondents appeared by counsel and thereafter entered into an agreement, dated October 2, 1958, containing a consent order to cease and desist purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by respondents, by counsel for said respondents, and by counsel supporting the complaint, and approved by the director and assistant director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing exam-

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iner for his consideration, in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional allegations of the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with such agreement. It has been agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, and that said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

The aforesaid agreement has been entered into subject to the express condition that the effective date of the initial decision based thereon shall be stayed by the Commission and shall not become the decision of the Commission in this matter until and unless the Commission issues orders to cease and desist under Counts I, II, and III in the matter of *Sperry Rand Corporation*, Docket 6701, under Counts I, II, and III in the matter of *North American Philips Company, Inc.*, Docket 6900, and under Counts I, II, III, and IV in the matter of *Schick Incorporated and Schick Service, Inc.*, Docket 6892. Said agreement is also subject to the further condition that the "Motion to Dismiss Part of Complaint Without Prejudice" in said matter filed by counsel supporting the complaint in the office of the Secretary of the Federal Trade Commission on September 24, 1958, be granted by the Commission, and that such parts of the complaint as are specified in said Motion be dismissed by the Commission without prejudice.

It appearing that the Motion to Dismiss Part of Complaint heretofore filed by counsel supporting the complaint is unopposed by respondents and that the agreement for consent order is expressly made subject to the granting of said motion, the undersigned is of the opinion that said motion may appropriately be granted at this time and, accordingly, provision for dismissal

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of said portion of the complaint will be hereinafter included as part of the order contained in this Initial Decision.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all the allegations of the complaint and provides for an appropriate disposition of this proceeding as to all parties, said agreement is hereby accepted and is ordered filed upon this decision's becoming the decision of the Commission pursuant to Sections 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. Respondent Ronson Corporation is a corporation organized and existing under and by virtue of the laws of the State of New Jersey with its principal office and place of business located at 31 Fulton Street, Newark 2, N.J.

Respondent Ronson Service of California is a corporation organized and existing under and by virtue of the laws of the State of California with its principal office and place of business located at 233 Post Street, San Francisco 8, Calif.

Respondent Ronson Service of Colorado, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Colorado with its principal office and place of business located at 1554 California Street, Denver 3, Colo.

Respondent Ronson Service of Georgia, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Georgia with its principal office and place of business located at 90 Forsyth Street, NW., Atlanta 3, Ga.

Respondent Ronson Service of Illinois, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois with its principal office and place of business located at 22 West Madison Street, Chicago 2, Ill.

Respondent Ronson Service of Maryland, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Maryland with its principal office and place of business located at 16 Park Avenue, Baltimore 1, Md.

Respondent Ronson Service of Massachusetts, Inc., is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Massachusetts with its principal office and place of business located at 44 School Street, Boston 8, Mass.

Respondent Ronson Service, Inc. (Michigan), is a corporation organized and existing under and by virtue of the laws of the

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State of Michigan with its principal office and place of business located at 149 Michigan Avenue, Detroit 26, Mich.

Respondent Ronson Service, Inc. (N.Y.) is a corporation organized and existing under and by virtue of the laws of the State of New York with its principal office and place of business located at 347 Fifth Avenue, New York 16, N.Y.

Respondent Ronson Service of Ohio, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Ohio with its principal office and place of business located in the Schofield Building, Ninth at Euclid Avenue, Cleveland 15, Ohio.

Respondent Ronson Service, Inc., of Pennsylvania, is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania with its principal office and place of business located at 123 North Broad Street, Philadelphia 7, Pa.

Respondent Ronson Service of Washington, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Washington, with its principal office and place of business located in the Joshua Green Building, Fourth and Pike Streets, Seattle 1, Wash.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the provisions of the Federal Trade Commission Act and the Clayton Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondent Ronson Corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the sale of electric shavers, cigar and cigarette lighters, and accessories therefor, in commerce as "commerce" is defined in the aforesaid Federal Trade Commission Act, do forthwith cease and desist from:

Fixing, establishing, or maintaining by, or in accordance with the terms or conditions of, any contract, agreement, or understanding, the prices, terms or conditions of sale at which electric shavers, cigar and cigarette lighters and accessories therefor, produced, distributed, or sold, directly or indirectly, by respondent, are to be resold by any wholesaler or retailer when such

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products are being sold or offered for sale in competition with any branch, retail, or service store, establishment, or business owned or controlled by any means or method by respondent.

It is further ordered, That respondent Ronson Corporation and respondents "Service Subsidiaries," their officers, representatives, agents, and employees, directly or through any corporate or other device in connection with the sale of electric shavers, cigar and cigarette lighters and accessories therefor in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

Discriminating, directly or indirectly, in the price of such products of like grade and quality, by selling to any purchaser at net prices higher than the net prices charged any other purchaser competing in fact with such unfavored purchaser in the resale and distribution of such products.

It is further ordered, That respondent Ronson Corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in the course of its business in commerce, as "commerce" is defined in the aforesaid Clayton Act, as amended, do forthwith cease and desist from:

Making or contracting to make, to or for the benefit of any customer acquiring respondent's electric shavers, cigar and cigarette lighters, and accessories therefor from respondent, from wholesalers, or from any other source, any payment of anything of value as compensation or in consideration for any advertising or other services or facilities furnished by or through such customer, in connection with the handling, resale, or offering for resale of such products manufactured, sold, or offered for sale by respondent, unless such payment or consideration is made available on proportionally equal terms to all other such customers competing in fact with such favored customers in the resale or distribution of such products.

It is further ordered, That so much of the allegations contained in Count II of the complaint, as amended, as allege that respondent Ronson Corporation has violated Section 2(a) of the Clayton Act by reason of the fact that the customers of said respondent's wholesaler purchasers are purchasers of said respondent, be, and the same hereby are, dismissed, without prejudice; provided, however, that nothing contained in this paragraph shall be construed as limiting the meaning of the term "purchaser" contained in the second ordering paragraph of the order to cease and desist above provided for, nor as affecting or limiting in any manner

Decision

55 F.T.C.

the adoption and reallegation of paragraphs 14 and 15 of Count II as a part of Count III of the Complaint in this proceeding.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

The hearing examiner, on October 30, 1958, having filed an initial decision in this proceeding based on an agreement containing a consent order to cease and desist theretofore executed by respondents and counsel supporting the complaint, and the Commission, on December 16, 1958, having extended until further order of the Commission the date on which said initial decision would otherwise become the decision of the Commission; and

It appearing that the aforesaid agreement is subject to the condition that an initial decision thereon shall not become the decision of the Commission until and unless the Commission issues an order to cease and desist under Counts I, II, and III the matter of *Sperry Rand Corporation*, Docket No. 6701, and under Counts I, II, and III in the matter of *North American Philips Company, Inc.*, Docket No. 6900, and under Counts I, II, III, and IV in the matter of *Schick Incorporated and Schick Service, Inc.*, Docket No. 6892, and the Commission having issued its decisions in those proceedings on November 3, 1958, and it appearing that the foregoing condition has been met; and

The Commission having determined that said initial decision is adequate in all respects to dispose of this proceeding:

It is ordered, That the aforesaid initial decision be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondents named 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 contained in said initial decision.

Decision

IN THE MATTER OF
FURS BY WEISS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket 7187. Complaint, July 11, 1958—Decision, Jan. 8, 1959

Consent order requiring a furrier in Cleveland, Ohio, to cease violating the Fur Products Labeling Act by naming on labels attached to fur products and in newspaper advertising, animals other than those producing certain furs; by failing in other respects to comply with the labeling and invoicing requirements; and by advertising in newspapers which failed to disclose the names of animals producing certain furs, the country of origin of imported furs, or the facts that certain products contained artificially colored or cheap or waste fur.

Charles W. O'Connell, Esq., for the Commission.

Emanuel H. Hecht, Esq., of Cleveland, Ohio, for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued July 11, 1958, charges the respondents above named with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated under the last named Act, in connection with the introduction into commerce, or offering for sale, sale, advertising, transportation or distribution of fur products, as the designations "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

After the issuance of said complaint respondents, on November 7, 1958, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such