

Complaint

IN THE MATTER OF

UNIVERSAL BUSINESS FORMS COMPANY ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-888. Complaint, Mar. 11, 1965—Decision, Mar. 11, 1965

Consent order requiring a Chicago, Ill., distributor of business forms to cease threatening, harassing, or otherwise coercing any manufacturer or supplier of business forms not to sell its products to respondent's competitors, or entering into any planned course of action with others to prevent suppliers from selling to competitors of respondent.

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 the party respondents named in the caption hereof, and hereinafter more particularly designated and described, have violated and are now violating Section 5 of the Federal Trade Commission Act (U.S.C., Title 15, Section 45), and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, the Commission hereby issues its complaint, stating its charges as follows:

PARAGRAPH 1. Respondent Universal Business Forms Company, hereinafter called Universal, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois with its principal office and place of business located at 222 West Adams Street, Chicago, Illinois. Universal is a business in which salesmen solicit orders for business forms products from customers located in Wisconsin, Indiana and Illinois, among other States, and place such orders with business forms printing manufacturers located throughout the country. The salesmen then report such orders to Universal. Universal is subsequently billed for such orders by the business forms printing manufacturer. Pursuant to said orders, shipments are made by the business forms printing manufacturers to the aforesaid customers of Universal, who are billed by Universal. Universal achieved annual gross sales of approximately \$500,000, in the year 1962.

PAR. 2. Verl G. Elya is president of Universal. He formulates, directs, controls, and participates in the policies and practices of Universal.

PAR. 3. Respondents, in the course and conduct of their business, cause business forms products to be shipped from the place or places of manufacture to customers located in various States of the United States, including those States set forth in Paragraph One, above, and have been, and now are, engaged in "commerce" as that term is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents have been and are now in substantial competition with other corporations and with partnerships and individuals engaged in the sale and distribution of various types of business forms products in commerce among and between the various States of the United States.

PAR. 5. Respondents, for many years, and particularly since 1961, and continuing to the present time, in connection with the sale and distribution of business forms products, have adopted, maintained and effectuated and now maintain and effectuate, directly or indirectly, through various means and methods, including letters, intercorporate memoranda, telephone calls, and informal meetings, a sustained policy of harassing, interfering with, threatening and obstructing the businesses of competitors by requesting, soliciting, persuading, coercing, suggesting, inducing, threatening, or demanding that various business forms printing manufacturers who supply respondents, refrain from taking orders from or selling to various competitors of respondents.

PAR. 6. Respondents and certain manufacturers of business forms products, not made respondents herein, for many years, and particularly since approximately 1961, and continuing to the present time, in connection with the sale and distribution of business forms products, at various times have entered into, maintained, and effectuated, and now maintain and effectuate, through various means and methods, including letters, intercorporate memoranda, telephone calls, and informal meetings, understandings, agreements, combinations, and conspiracies to pursue, and they have pursued, planned common courses of action or courses of dealing, that each of the said manufacturers would refrain, and each of the said manufacturers has refrained, from taking orders from or selling to various competitors of respondents.

PAR. 7. Pursuant to and in furtherance of said understandings, agreements, combinations and conspiracies to foreclose competitors of respondents from access to sources of supply, each of the aforesaid manufacturers, for many years, and continuing to the present time, has done and performed, inter alia, the following:

1. Refused to sell to various competitors of respondents.

2. Refused to grant sales franchises to various competitors of respondents.

3. Refused to authorize sales agencies to various competitors of respondents.

4. Instructed sales and other personnel to refuse to accept or process orders from various competitors of respondents.

PAR. 8. The acts and practices of the respondents and the aforesaid manufacturers not made respondents herein, as hereinbefore alleged, have had and do have the effect of hindering, lessening, restricting, restraining and eliminating competition between respondents and their competitors, actual or potential, in the sale and distribution of business forms products; are all to the prejudice of business forms products customers and to the public; 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.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Universal Business Forms Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 222 West Adams Street, in the city of Chicago, State of Illinois.

Respondent Verl G. Elya is an officer of said corporation and his address is the same as that of said corporation.

Syllabus

67 F.T.C.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondent Universal Business Forms Company, a corporation, and its officers, and respondent Verl G. Elya, individually and as an officer of said corporation, and said respondents' agents, representatives, employees, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of business forms products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Harassing, interfering with, threatening, or obstructing in any way, the business of any competitor by:

1. Initiating, continuing, maintaining, or effectuating a policy of requesting, soliciting, coercing, threatening, persuading, suggesting, demanding, inducing, or attempting to induce in any way any manufacturer or supplier to refrain from taking orders from or selling to any competitors of respondents; or

2. Entering into, continuing, cooperating in, or carrying out any planned common course of action or course of dealing or understanding, agreement, combination, and conspiracy between themselves and one or more corporations not made respondents herein or between themselves and others not parties hereto, to do or perform the act and practice of agreeing that any manufacturer or supplier will refrain from taking orders from or selling to any competitors of respondents.

It is further 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 this order.

IN THE MATTER OF

ALLIED STORES CORPORATION ET AL.

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

Docket C-889. Complaint, Mar. 12, 1965—Decision, Mar. 12, 1965

Consent order requiring New York City operators of low mark-up retail stores to cease falsely invoicing and advertising their fur products.