

Complaint

IN THE MATTER OF

CLARISE SPORTSWEAR CO., INC. (Docket No. C-993)
MAY KNITTING COMPANY, INC. (Docket No. C-994)
HUDDLESPUN, INC. (Docket No. C-995)

CONSENT ORDERS, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
SEC. 2(d) OF THE CLAYTON ACT

Complaints, Sept. 20, 1965—Decisions, Sept. 20, 1965***

Consent orders requiring three New York wearing apparel manufacturers to cease discriminating among their competing customers in the payment of advertising and promotional allowances, in violation of Sec. 2(d) of the Clayton Act.

COMPLAINT

The Federal Trade Commission, having reason to believe that each of the respondents named in the caption hereof has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Section 13), and it appearing to the Commission that a proceeding by it in respect thereto is in the interest of the public, the Commission hereby issues its complaints stating its charges as follows:

PARAGRAPH 1. Each of the respondents is a corporation engaged in commerce, as "commerce" is defined in the amended Clayton Act, and sells and distributes its wearing apparel products from one State to customers located in other States of the United States. The sales of each respondent in commerce are substantial.

PAR. 2. Each of the respondents in the course and conduct of its business in commerce paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services and facilities furnished by or through such customers in connection with their sale or offering for sale of wearing apparel products sold to them by respondent, and such payments were not made available on proportionally equal terms to all other customers competing with favored customers in the sale and distribution of respondent's wearing apparel products.

PAR. 3. Included among, but not limited to, the practices alleged herein, each respondent has granted substantial promotional pay-

*Identical complaints and decisions were combined by the compiler.

**For Commission's opinion and dissenting statement of Commissioner Elman accompanying these orders, see pp. 393, 403, 407 herein.

Decision and Order

68 F.T.C.

ments or allowances for the promoting and advertising of its wearing apparel products to certain department stores and others who purchase respondent's said products for resale. These aforesaid promotional payments or allowances were not offered and made available on proportionally equal terms to all other customers of respondent who compete with said favored customers in the sale of respondent's wearing apparel products.

PAR. 4. The acts and practices alleged in Paragraphs One through Three are all in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of each of the respondents named in the caption hereof, and subsequently having determined that complaint should issue, and each of the respondents having entered into an agreement containing an order to cease and desist from the practices being investigated and having been furnished a copy of a draft of complaint to issue herein charging it with violation of subsection (d) of Section 2 of the Clayton Act, as amended, and

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

The Commission having considered the agreements, hereby accepts the same, issues its complaints in the form contemplated by said agreements, makes the following jurisdictional findings, and enters the following orders:

1. Respondent Clarise Sportswear Co., Inc., is a corporation organized and existing under the laws of the State of New York, with its office and principal place of business located at 128 West 36th Street, New York, New York.

Respondent May Knitting Company, Inc., is a corporation organized and existing under the laws of the State of New York, with its office and principal place of business located at 230 W. 230th Street, Bronx, 63 New York.

Respondent Huddlespun, Inc., is a corporation organized and existing under the laws of the State of New York, with its office

and principal place of business located at 34 West 27th Street, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of these proceedings and of the respondents.

ORDER

It is ordered, That each of the respondents named in the above-captioned proceedings, and its officers, directors, agents, representatives and employees, directly or through any corporate or other device, in the course of its business in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of the respondent as compensation or in consideration for advertising or promotional services, or any other service or facility, furnished by or through such customer in connection with the handling, sale or offering for sale of wearing apparel products manufactured, sold or offered for sale by respondent, unless such payment or consideration is made available on proportionally equal terms to all other customers competing with such favored customer in the distribution or resale of such products.

It is further ordered, That each of the respondents herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

Commissioner Elman dissenting.