

IN THE MATTER OF
MADISON NEWS AGENCY ET AL.

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

Docket C-1374. Complaint, July 12, 1968—Decision, July 12, 1968

Consent order requiring wholesalers of books and magazines located in Madison, Wis., and Rockford, Ill., to cease illegally restraining competition by threatening and coercing their supplier publishers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (15 U.S.C. § 41 *et seq.*), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Madison News Agency, a corporation, Seidler News Agency, Inc., a corporation, and Harry J. Tobias, individually and as an officer of each of the above corporations, have violated the provisions of Section 5 of the Federal Trade Commission 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 as follows:

PARAGRAPH 1. Respondent Madison News Agency is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Wisconsin, with its principal office and place of business located at 446 W. Gilman Street, Madison, Wisconsin.

Respondent Seidler News Agency, Inc., 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 123 South Third Street, Rockford, Illinois.

Respondent Harry J. Tobias is a principal managing officer of each of the corporate respondents, Madison News Agency and Seidler News Agency, Inc. He formulates, directs and controls the policies, acts and practices of corporate respondents.

PAR. 2. Respondents are now, and for many years last past have been, engaged in the purchase, distribution, offering for sale, and resale of books, magazines, and other publications to various customers such as grocery stores, drugstores, book stores, newsstands, and other retailers. The volume of sales of each of the corporate respondents was substantially in excess of three-quarters of a million dollars in the year 1965.

PAR. 3. In the course and conduct of their businesses, as above described, respondents are now, and have been at all times referred to herein, engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act. They cause the products which they purchase to be shipped from sellers located in States other than the States in which respondents offer such products for distribution and resale, and they cause extra copies of many of such publications to be reshipped to the publishers or other sellers from whom shipment was obtained. There is a constant flow of such publications to and from respondents in commerce.

PAR. 4. Except to the extent that competition has been hindered, frustrated, lessened, and eliminated by the acts and the practices alleged hereinafter, corporate respondents are and have been in substantial competition with other corporations, firms, or individuals engaged in the purchase, distribution, and resale of newspapers, books, magazines, and other publications in commerce.

PAR. 5. Respondents have entered into dealer agreements with publishers or vendors of the products which they distribute that assign to each of the corporate respondents a restricted sales territory.

PAR. 6. Respondents have entered into agreements, understandings, combinations, and conspiracies with publishers and ven-

dors, unnamed coconspirators herein, according to which said publishers and vendors have recognized respondents as the sole, exclusive wholesalers for the books, magazines, and other publications of these publishers and vendors within the areas assigned to or served by the respondents.

PAR. 7. Respondents Madison News Agency and Seidler News Agency, Inc., have by reason of the practices aforesaid achieved a dominant economic position in the wholesale of books, magazines, and other publications within their respective trade areas.

PAR. 8. Respondents, during the period from about August 1963 to date, have prevented publishers and vendors of books, magazines, and other publications from selling such products to existing and potential wholesale competitors of respondents through the use of threats of economic retaliation and coercive means, including, among others:

1. Express or implied threats to reduce the amount of their purchases from publishers or vendors who should sell to wholesale competitors.

2. Reducing the standing order for copies of new editions of publishers or vendors who began to sell to wholesale competitors.

3. Discontinuing purchases of all products from publishers or vendors who continued to sell to wholesale competitors.

PAR. 9. As a result of the acts and practices and the methods of competition aforesaid:

1. Publishers and vendors of books, magazines, and other publications have refused to sell to existing and potential wholesale competitors of respondents.

2. Publishers and vendors of books, magazines, and other publications have discontinued sales to wholesale competitors of respondents.

3. Publishers and vendors of books, magazines, and other publications have recognized respondents as the sole, exclusive wholesalers for said publications within the areas assigned to or served by respondents.

PAR. 10. The aforesaid acts, practices, agreements, understandings, combinations, conspiracies, and planned courses of action are to the prejudice of the public; they have hindered, lessened, restrained, and eliminated competition in commerce in the purchase, distribution, offering for sale, and resale of books, magazines, and other publications; they have the tendency unduly to create in respondents a monopoly within the areas served by the respondents; and they are in violation of Section 5 of the Federal Trade Commission Act which declares unlawful unfair

acts or practices in commerce and unfair methods of competition in commerce.

DECISION AND ORDER

The Federal Trade Commission having initiated and investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Restraint of Trade proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, 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 alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Madison News Agency is a corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business located at 446 W. Gilman Street, Madison, Wisconsin.

Respondent Seidler News Agency, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 123 South Third Street, Rockford, Illinois.

Respondent Harry J. Tobias is an officer of each of said corporations, and his address is 446 W. Gilman Street, Madison, Wisconsin.

2. The Federal Trade Commission has jurisdiction of the subject

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matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Madison News Agency and Seidler News Agency, Inc., corporations, and their officers, and Harry J. Tobias, both individually and as an officer of said corporations, respondents' agents, employees, or representatives, directly or through any corporate or other device, in connection with the purchase, distribution, offering for sale, or resale of books, magazines, or other publications in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from engaging in the following acts or practices:

1. Reducing the quantity of publications ordered from or threatening to refuse to deal with any publisher or vendor for the purpose of inducing said publisher or vendor to refuse to sell his products to a potential or existing wholesale competitor in the distribution of such publications.

2. Agreeing, combining, or conspiring with any competitor or other distributor of books, magazines, or other publications for the purpose or with the effect of allocating, dividing, or assigning exclusive sales territories, customers, or potential customers among or to any distributor of said publications.

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
KINGSLEY COATS, INC., DOING BUSINESS AS
KINGSLEY-PARKMOOR ET AL.

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

Docket C-1375. Complaint, July 12, 1968—Decision, July 12, 1968

Consent order requiring two affiliated manufacturers of ladies' wool and fur trimmed coats and suits to cease misbranding, improperly invoicing, and falsely guaranteeing their wool, fur, and textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Fur Products Labeling Act and the Textile Fiber Products Identification Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Kingsley Coats, Inc., a corporation, doing business as Kingsley-Parkmoor, and Charles Goldberg, individually and as an officer of the said corporation and Frank De Vito individually and as factory manager of the said corporation and Parkmoor, Inc., a corporation doing business under its own name and as Kingsley-Parkmoor, hereinafter referred to as respondents, have violated the provisions of the Wool Products Labeling Act of 1939, the Fur Products Labeling Act and the Textile Fiber Products Identification Act and the Rules and Regulations promulgated under the said Acts, and it appears 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. Proposed respondent Kingsley Coats, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 512 Seventh Avenue, New York, New York.

Proposed respondent Parkmoor, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business