

Complaint.

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FEDERAL TRADE COMMISSION

v.

ORIENT MUSIC ROLL CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 304.—November 29, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture of perforated paper music rolls for player pianos, purchased rolls manufactured and sold by competitors, from which it made and sold duplicates, thus avoided the greater part of the cost of the production of a musical number in the form of a perforated paper roll, namely, the cost of producing the original or "master" rolls of the different numbers published, from which master rolls duplicates in any quantity are readily manufactured; and thereby secured to itself an undue advantage over competitors by appropriating the results of their ingenuity, labor, and expense:

Held, That such acts of appropriation, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Orient Music Roll Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief, as follows:

PARAGRAPH 1. That the respondent, Orient Music Roll Co., is a corporation organized and doing business under and by virtue of the laws of the State of Connecticut, having its principal office in the city of Bridgeport, in said State, and

is now and for more than one year last past has been engaged in the manufacture of perforated paper music rolls for use in the operation of player pianos and in selling and shipping such music rolls to persons and corporations in other States of the United States and in the District of Columbia, in direct competition with other individuals, copartnerships, and corporations similarly engaged, and that the business of manufacturing and selling such perforated paper music rolls constitutes an important and large branch of commerce among the several States of the United States.

PAR. 2. That the method employed generally in the manufacture of perforated paper music rolls involves the production first of an original or master roll for each musical selection published, from which any number of duplicates are readily manufactured and distributed through the trade to the public for use in player pianos; that the production of such master rolls requires great musical skill and ingenuity, involves the expenditure of much labor and money, and forms the greater part of the entire cost of the publication of a musical selection in the form of a perforated paper roll.

PAR. 3. That during a period of more than one year last past the respondent, in the conduct of its business of manufacturing and selling perforated-paper music rolls in interstate commerce, as aforesaid, has been and is now engaged in the practice of purchasing the music rolls manufactured and sold by competitors, making duplicates thereof, and selling such duplicate music rolls in competition with those manufactured by competitors by the method hereinbefore described; that the effect of said practice on the part of the respondent has been and is to secure for itself an undue advantage over competitors by appropriating the results of competitors' ingenuity, labor, and expense, thus avoiding the cost of producing the aforesaid master rolls and enabling it to sell such duplicate music rolls at lower prices than those which manufacturers of the original perforated-paper music rolls are obliged to charge.

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**REPORT, FINDINGS AS TO THE FACTS, AND
ORDER.**

A complaint having been issued by the Federal Trade Commission in the above-entitled proceeding, and the respondent therein named having filed its answer herein, wherein the charges of the complaint are admitted to be true, and wherein it is said by the respondent that it is its intention to cease and desist the practices charged against it if the Federal Trade Commission orders it to discontinue said practices, and wherein it is said that it has already discontinued the practices charged in the complaint in so far as such complaint charges the respondent with purchasing competitors' music rolls and making duplicates from the same, and the Commission having considered the complaint and the answer filed thereto, and now being fully advised in the premises, reports and finds as follows:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Orient Music Roll Co., is a corporation organized and doing business under and by virtue of the laws of the State of Connecticut, having its principal office and place of business in the city of Bridgeport, in said State, and is now and for more than one year last past has been engaged in the manufacture of perforated-paper music rolls for use in the operation of player pianos and in selling and shipping such music rolls from the city of manufacture in the State of Connecticut to various persons and corporations in other States of the United States and in the District of Columbia, in direct competition with other individuals, copartnerships, and corporations similarly engaged; that the business of manufacturing and selling such perforated-paper music rolls constitutes an important and large branch of commerce among the several States of the United States in the States in which respondent is engaged in its said business.

PAR. 2. That the method employed generally in the manufacture of perforated-paper music rolls involves the production first of an original or master roll for each musical selection published, from which any number of duplicates

are readily manufactured and distributed through the trade to the public for use in player pianos; that the production of such master rolls requires great musical skill and ingenuity, involves the expenditure of much labor and money, and forms the greater part of the entire cost of the publication of a musical selection in the form of a perforated-paper roll.

PAR. 3. That the respondent, Orient Music Roll Co., in April, 1918, purchased the equipment and business of the Orient Music Co., of Bristol, Conn.; that the said Orient Music Co., of Bristol, Conn., and the respondent, Orient Music Roll Co., in the conduct of their business of manufacturing and selling perforated-paper music rolls, in the course of commerce as aforesaid, purchased music rolls manufactured and sold by competitors and made duplicates and copies thereof and sold said duplicate and copied music rolls in competition with wholesalers and retailers of music rolls similar to those from which the said duplicates and copies were made; that the respondent company on May 1, 1919, ceased manufacturing music rolls in the manner above set forth and began making its own music rolls without duplicating or copying those of its competitors; that at present the respondent manufactures its own original music rolls and sells same to its customers; that the respondent also still sells its old reproductions or duplicates made from music rolls originally purchased from its competitors, as aforesaid, but that 90 per cent of the music rolls it now sells and ships in interstate commerce have been made originally by the respondent and were not duplicates or copies of rolls purchased which were the product of a competing manufacturer; that the effect of the practice on the part of the respondent in making said duplicated or copied rolls from the original rolls of competing manufacturers and the sale of the same in interstate commerce in competition with competing manufacturers or wholesalers or retailers of the products of competing manufacturers is to secure to the respondent an undue advantage over competitors by appropriating the results of competitors' ingenuity, labor, and expense, and thus avoiding the cost of producing the aforesaid master rolls.

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CONCLUSION.

That the method of competition and the business practice set forth in the foregoing findings as to the facts is, under the circumstances set forth therein, an unfair method of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission, having issued and served its complaint herein, wherein it alleged that it had reason to believe that the above-named respondent, Orient Music Roll Co., has been using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in respect thereof would be to the interest of the public, and fully stating its charges in this respect, and the respondent having filed its answer, signed by its treasurer, admitting that the matters and things alleged in the said complaint are substantially true and correct in the manner and form therein set forth, and the Commission having made and filed its report containing its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, the Orient Music Roll Co., shall cease and desist from manufacturing perforated paper music rolls by making duplicates or copies of rolls made by competing manufacturers in manner as more particularly set forth in the complaint herein, or any manner similar thereto, with a similar effect upon the business of competitors, and from offering for sale or selling in inter-

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state commerce any perforated paper music rolls made by it or its predecessor, the Orient Music Co., by duplicating or copying music rolls made by a competing manufacturer or made in any similar manner with a similar effect.

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CARTER PAINT CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 236—December 30, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of roof and metal paints, waterproofing preparations, and similar products, gave and offered to give to employees of customers, premiums consisting of silverware, suits, hats, traveling cases, watches, clocks, talking machines, and other articles of value as inducement for them to push the sale of its goods with the purchasing public:

Held, That such gifts and offers to give, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Carter Paint Co. hereinafter referred to as respondent, has been for more than a year last past, using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof, would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, the Carter Paint Co., is a corporation, organized and existing and doing business

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under and by virtue of the laws of the State of Indiana, having its principal office and place of business at the city of Liberty in said State, and is now and for more than one year last past has been engaged in manufacturing and selling roof and metal paints, waterproofing preparations, and similar products throughout the State and Territories of the United States, and the District of Columbia, and that at all times hereinafter mentioned, the respondent has carried on and conducted such business in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That, with the intent, purpose, and effect of stifling and suppressing competition in interstate commerce in the manufacture and sale of roof and metal paints, waterproofing preparations, and similar products, the respondent, for more than one year last past has been giving and offering to give premiums consisting of silverware, suits, hats, traveling cases, watches, clocks, talking machines, and other personal property, to salesmen of jobbers handling the products of the respondent and those of its competitors, as an inducement to push the sales of respondent's products in preference to the products of its competitors.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission, having issued and served its complaint herein, wherein it is alleged that it had reason to believe that the Carter Paint Co., hereinafter referred to as the respondent, has been for more than one year last past, using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereto would be to the interest of the public, and fully stating its charges in that respect, and the respondent having entered its appearance by George W. Pigman and L. L. Bracken, its attorneys, and the respondent

having filed its answer admitting that certain matters and things alleged in said complaint are true in the manner and form therein set forth and denying others therein contained, and the Commission having offered testimony in support of its charges in said complaint and the respondent having offered testimony in its behalf, and the attorneys for the commission and the respondent having submitted their briefs as to the law and the facts, the Commission makes this report and findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Carter Paint Co., is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Indiana, having its principal office and place of business at the town of Liberty, State of Indiana, and is now and for more than one year last past has been engaged in manufacturing and selling roof and metal paints, waterproofing preparations, and similar products throughout the States and Territories of the United States and the District of Columbia, in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That in the course of its business of manufacturing and selling roof and metal paints, waterproofing preparations, and similar products in interstate commerce, the respondent, the Carter Paint Co., for more than a year last past has given and offered to give employees and salesmen of dealers who handle and sell the products of the respondent and those of certain of its competitors, premiums consisting of silverware, suits, hats, traveling cases, watches, clocks, talking machines, and other personal property, as an inducement for them to give attention to and push the sale of the respondent's products.

CONCLUSION.

That the methods of competition set forth in the foregoing findings as to the facts, under the circumstances therein set forth are unfair methods of competition in interstate com-

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merce, in violation of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission, having issued and served its complaint herein, and the respondent, the Carter Paint Co., having entered its appearance by George W. Pigman and L. L. Bracken, its attorneys, and having filed its answer admitting certain allegations of the complaint and denying certain others thereof, and the Commission having offered testimony in support of its charges in said complaint, and the respondent having offered testimony in its behalf, and the attorneys for the commission and the respondent having submitted their briefs as to the law and the facts, and the Commission having made and filed its report containing its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, the Carter Paint Co., its officers, directors, agents, representatives, servants, and employees, cease and desist from directly or indirectly giving or offering to give premiums or prizes of any kind whatsoever to employees or salesmen of dealers who handle the products of the respondent and of one or more of the respondent's competitors, as an inducement to push the sale of the respondent's products.

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v.

THE UTAH BEDDING & MANUFACTURING CO.,

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 348.—December 30, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of mattresses, bedding, couches, and similar products gave and offered to give to employees of customers cash bonuses as an inducement to push the sale of its mattresses with the purchasing public:

Held, That such gifts and offers to give, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Utah Bedding & Manufacturing Co., hereinafter referred to as respondent, has been and is using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, Utah Bedding & Manufacturing Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Utah, having its principal office and place of business at the city of Salt Lake, in said State, now and for more than one year last past engaged in manufacturing and selling mattresses, beds, couches, and similar products throughout the States and Territories of the United States and the District of Columbia, and that at all times hereinafter men-

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tioned the respondent has carried on and conducted such business in competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent for more than one year last past, with the intent, purpose, and effect of stifling and suppressing competition in the sale of mattresses, beds, couches, and kindred products in interstate commerce, has given and offered to give a cash premium or bonus on the sale of certain mattresses to the salesmen of merchants handling the products of the respondent and those of its competitors as an inducement to influence them to push the sales of respondent's products, to the exclusion of the products of its competitors.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, the Utah Bedding & Manufacturing Co., has been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public, and fully stating its charges in that respect; and the respondent having filed its answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth, and denying others therein contained, and thereafter having made and executed an agreed statement of facts, which has been heretofore filed, in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore, the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion:

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FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Utah Bedding & Manufacturing Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Utah, having its principal office and place of business located at the city of Salt Lake, in said State, and is now and for more than one year last past has been engaged in manufacturing and selling mattresses, bedding, couches, and similar products in interstate commerce, in competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, the Utah Bedding & Manufacturing Co., in the course of its business of manufacturing and selling mattresses, bedding, couches, and similar products in interstate commerce, has within the last three years sold and offered to sell a patented mattress known as the "San O tuf" mattress to merchants in the towns and cities of Utah, Colorado, Idaho, and Wyoming, in or near its selling territory surrounding the city of Salt Lake, and in order to stimulate the sale of such mattresses the respondent has given and offered to give to employees and salesmen of dealers who handle and sell the "San O tuf" mattress and mattresses of certain of its competitors cash bonuses.

CONCLUSION.

That the methods of competition set forth in the foregoing findings as to the facts under the circumstances therein set forth are unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission, having issued and served its complaint herein, and the respondent, the Utah Bedding & Manufacturing Co., having filed its answer and thereafter having made, executed, and filed an agreed statement of

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facts in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, its officers, agents, representatives, servants, and employees cease and desist from directly or indirectly giving or offering to give cash bonuses or prizes to employees or salesmen of merchants who handle and sell mattresses, bedding, couches, and similar products of the respondent and of one or more of the respondent's competitors, as an inducement to influence such employees or salesmen to stimulate or push the sale of the respondent's products.

FEDERAL TRADE COMMISSION

v.

J. B. COHEN, TRADING UNDER THE NAME AND
STYLE OF THE COLE-CONRAD CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 349.—December 30, 1919.

SYLLABUS.

Where an individual engaged in the sale of groceries by mail in "combination orders" only, the price of which did not include cost of transportation to the residence of the purchaser, and in which

orders the number of items and the quantity of each, but not always the quality and kind, were specified with certainty—

- (a) advertised different "combination orders" so assembled that each contained one or more staple articles of well-known quality and price, and other articles, constituting the greater part of the order, the quality and retail prices of which were not well known to the general public, and set forth prices alleged to be charged for each item, which prices for the well-known and staple articles were less than the cost thereof, but for the less familiar articles were at such increased amounts as to afford a satisfactory profit on the sale as a whole; thereby misleading the purchasing public into believing that each and every item of groceries was sold at a certain definite price and that the less well-known articles were sold at proportionately as low prices as the staple and well-known articles were represented to be sold;
- (b) overstated the price that would be charged by his competitors for similar "combination orders" and for the less familiar articles making up said orders;
- (c) advertised that he was selling his "combination orders" and each item thereof at prices considerably less than those charged by his competitors, when in fact such orders and some individual items thereof could have been purchased from his competitors at prices considerably less than those charged by him, including the cost of transportation to the residence of the purchaser;

Held, That such false and misleading advertising constituted, under the circumstances set forth, unfair methods of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it, that J. B. Cohen, trading under the name and style of the Cole-Conrad Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief as follows:

PARAGRAPH 1. That the respondent, J. B. Cohen, is a resident of the State of Illinois, having an office for the transac-

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tion of business in the city of Chicago, in said State, and is now and for more than a year last past has been engaged under the trade name and style of the Cole-Conrad Co. in the sale of groceries by mail throughout the several States of the United States and the District of Columbia in direct competition with other persons, copartnerships, and corporations similarly engaged.

PAR. 2. That during the year last past, in the conduct of his business in the sale of groceries in interstate commerce as aforesaid, the respondent has adopted the practice of selling its groceries in combination orders consisting of one or more well-known and staple articles combined with others not so well known or familiar to the purchasing public, such combination orders being sold at a fixed aggregate price; that said combination orders are extensively advertised by the respondent in newspapers, magazines, and catalogues, which advertisements set forth the different items of the said combination orders, together with the individual prices of said items, which for the well-known and staple articles are less than cost, but for the less familiar articles are at such increased prices as give the respondent a satisfactory profit upon the aggregate items of the said combination orders, and that the effect of said form of advertisement in connection with other false and misleading statements contained in said advertisements is to deceive and mislead the public into the belief that the other items of groceries composing respondent's said combination orders are sold at the same proportionately low prices as the staple and well-known groceries, and that groceries in general are sold by the respondent at prices very much less than those charged by competitors.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having issued and served its complaint herein, wherein it alleged that it had reason to believe that the above-named respondent, J. B. Cohen, trading under the name and style of the Cole-Conrad Co., had been and then was using unfair methods of competition in commerce in violation of the provisions of section 5 of

an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in respect thereof would be to the interest of the public, and fully stating its charges in that respect; and the respondent having filed his answer to said complaint, and the issues so raised having, pursuant to due notice given to said respondent, come on for hearing before the Commission; and the Commission having appeared and introduced its evidence in support of its charges, and the respondent having failed to appear; and all testimony heard at said hearing having been reduced to writing and, together with the evidence introduced thereat, having been filed in the office of the Commission, the Commission being fully advised in the premises and upon consideration thereof, now makes this its report and findings as to the facts and its conclusions thereon:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. The respondent, J. B. Cohen, is now and since March 1, 1919, has been continuously engaged in the business of selling in "combination orders" groceries by "mail order" in the manner hereinafter more particularly described as a sole trader under the name of the Cole-Conrad Co., with offices in Chicago, Ill., at which he transacts said business. For a short period of time since March 1, 1919, respondent also conducted such business under the names of the Bayard Grocery Co. and the Kellogg Grocery Co. Respondent was also engaged in the same business during the year 1917, but was ordered by the United States Food Administrator to discontinue it. This order was rescinded on March 1, 1919.

Respondent carries on his business by soliciting the general public and securing from it purchasers for his groceries by means and as the result of representations contained in advertisements which he causes to be published in catalogues and in numerous newspapers, magazines, and other periodicals which are circulated and read throughout the States and Territories of the United States and the District of

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Columbia. Between March 1, 1919, and April 28, 1919, respondent, as a result of this method of solicitation, secured approximately 15,000 "combination orders" for groceries from purchasers located throughout the United States. Respondent filled these orders and caused the groceries therein described to be transported to the respective States wherein such purchasers resided, receiving therefor an aggregate amount of \$50,000 or \$60,000. Respondent is still engaged in filling orders received as a result of the advertisements mentioned above and shipping the groceries therein described in the manner stated. A portion of the advertising above referred to is still being circulated by respondent. In thus carrying on his business, and in thus selling groceries to the general public, respondent is in direct competition with numerous persons, firms, and corporations who are also engaged in selling groceries to the general public by mail order and otherwise.

PAR. 2. Respondent advertises and sells his groceries only in "combination orders." These orders consist of a combination of anywhere from 3 to 14 different items of groceries. The number of items and the quantity of each is specified with certainty in each order, but the quality and kind is not always described with certainty. Respondent advertises 33 different "combination orders" for which he charges prices ranging from \$1.99 up to \$259.16. Each order is so made up with reference to the nature of the items of groceries included therein that it will contain one or more staple articles, the quality and retail price of which are more or less well known to the general public and other articles constituting the greater part of the "combination orders," the quality and retail price of which are not so well known. That in said advertisements published by the respondent as aforesaid the various items of the different "combination orders" are set forth, together with the prices alleged to be charged for each item; that the prices set forth for the well-known and staple articles are less than the cost thereof, but the prices set forth for the less familiar articles are at such increased amounts as to enable the respondent to make

a satisfactory profit on the sale; and that such advertisements have the capacity to and do mislead the purchasing public into the belief that each and every item of groceries is sold at a certain definite price, and that the less familiar articles are sold by the respondent at proportionately as low prices as the staple and well-known articles are represented to be sold, whereas, in truth and in fact, respondent does not sell any separate article of the groceries so advertised by him at a definite price, but sells only the said complete "combination order" at such a definite price for the whole thereof as will allow him a satisfactory profit on the sale and will not sell separately any article mentioned in any of his orders or in any part of his advertisements.

PAR. 3. Respondent in said advertisements has been representing that the prices of his "combination orders" and of the items of the less familiar articles of groceries, enumerated therein, are less than the prices at which similar articles or combinations of articles of groceries are sold by competitors, whereas in truth and in fact such articles and combinations of articles of groceries could have been purchased from the respondent's competitors at prices considerably less than those represented by him as being charged by his said competitors.

PAR. 4. Respondent in said advertisements has been representing that he is selling his "combination orders," and each item thereof, at prices considerably less than those charged by his competitors, when in fact and in truth such orders and individual items of groceries could have been purchased from respondent's competitors at prices considerably less than those charged by respondent, including the cost of transportation to the residence of the purchaser thereof, whereas purchasers of respondent's groceries are compelled to defray the cost of such transportation.

CONCLUSIONS.

The acts and conduct of the respondent set forth in the foregoing findings as to the facts are unfair methods of competition in commerce within the meaning and in violation of

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the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, wherein it alleged that it had reason to believe that the above-named respondent, J. B. Cohen, trading under the name and style of the Cole-Conrad Co., had been and then was using unfair methods of competition in commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in respect thereof would be to the interest of the public, and fully stating its charges in that respect, and the respondent having filed his answer to said complaint, and the issues so raised having pursuant to due notice given to said respondent come on for hearing before the Commission; and the Commission having appeared and introduced its evidence in support of its charges and the respondent having failed to appear; and all testimony heard at said hearing having been reduced to writing and, together with the evidence introduced thereat, having been filed in the office of the Commission, and the Commission being fully advised in the premises and upon consideration thereof having made and filed its report containing its findings as to the facts and its conclusions that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, J. B. Cohen, trading under the name and style of the Cole-Conrad Co., with offices at Chicago, Ill., cease and desist from selling or offering to sell groceries or any other article of merchandise or commodity of whatsoever kind, character, or description in commerce among the several States or in any Territory of the

United States or the District of Columbia by means of advertisements for combination orders of groceries in which the individual items are set forth, together with the prices thereof, which for the well-known and staple groceries are at or less than cost, but for the less familiar articles are at such increased amounts as render a satisfactory profit upon the aggregate items of such combination orders, or by means of any other false, misleading, deceptive, or unfair statements or representations in magazines, newspapers, periodicals, or catalogues, or made or put forth in any other manner howsoever, where such statements or representations have a tendency or capacity to discredit competitors or their method of doing business, or are calculated or designed to mislead or deceive respondent's customers or prospective customers, or the customers or prospective customers of competitors or the public generally, as to the true character of the transaction, or to create a false impression to the effect that respondent is selling his groceries or other commodities or any individual item of either thereof at prices as low as or lower than those charged by competitors.

FEDERAL TRADE COMMISSION

v.

PLOMO SPECIALTY MANUFACTURING CO. AND RIVERSIDE REFINING CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 448.--December 30, 1919.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of oils, turpentine, and kindred products—

- (a) represented by means of advertisements and brands that a product sold by it, composed of turpentine adulterated with mineral oil, was "second-run" turpentine, the fact being that there is no product commercially known as "second-run" turpentine;

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(b) represented by means of advertisements and brands that a product sold by it and composed of linseed oil, adulterated with mineral oil, was "second-run" linseed oil, the fact being that there is no such product as "second-run" linseed oil;

With the result of misleading purchasers into believing that the turpentine and linseed oil sold by it were pure products, notwithstanding the fact that it stated in its advertisements that said products were not pure, nor recommended for medicinal purposes:

Held, That such advertising, and such branding, under the circumstances set forth, constituted an unfair method of competition, in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission having reason to believe, from a preliminary investigation made by it, that the Plomo Specialty Manufacturing Co. and Riverside Refining Co., hereinafter referred to as respondents, have been and are using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in this respect on information and belief, as follows:

PARAGRAPH 1. That the respondent, Plomo Specialty Manufacturing Co., is a corporation doing business under the laws of the State of Ohio, with its principal office and place of business located at the city of Cleveland, in said State; that the respondent, Riverside Refining Co., is a subsidiary of the said Plomo Specialty Manufacturing Co. and was organized and exists for the sole purpose of marketing and selling the oil, turpentine, and kindred products of the Plomo Specialty Manufacturing Co.; that the said respondents are now and at all times hereinafter mentioned have been engaged in the business of manufacturing, purchasing, selling, and reselling certain oils and turpentine and kindred products in competition with other persons, firms, co-partnerships, and corporations similarly engaged.

PAR. 2. That in the conduct of their business the respondents purchase the component ingredients used in the

manufacture of said oils, turpentine, and kindred products in various States and Territories of the United States and transport the same through other States and Territories in and to the city of Cleveland, State of Ohio, where they are made and manufactured into the finished product and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among other States of the United States, the Territories thereof, and the District of Columbia; and there is continually and has been at all times herein mentioned a constant current of trade and commerce in said products between and among the various States and Territories of the United States, the District of Columbia, and foreign countries, and more particularly from other States and Territories of the United States and the District of Columbia to and through the City of Cleveland, State of Ohio, and from there to and through other States of the United States, Territories thereof, the District of Columbia, and foreign countries.

PAR. 3. That the respondents for more than a year last past, in the sale of their products as aforesaid in interstate commerce, have sold and are now selling and offering for sale certain of their products which are and have been adulterated and mixed with a low grade mineral oil and other ingredients, and have represented by means of advertisements and circulars and held out and stated to the purchasing public that the product so offered for sale was "second run" turpentine; that such statements and representations are false and misleading and calculated and designed to and do deceive the trade and the general public into believing respondents' products to be pure and unadulterated.

PAR. 4. That the respondents for more than a year last past, in the sale of oils, turpentine, and kindred products in interstate commerce, have sold and are now selling and offering for sale a so-called "second run" linseed oil, that in the trade there is no such commodity known as "second run" linseed oil, and that the oil sold by respondents as "second run" linseed oil is a mixture of low grade mineral

Findings.

2 F. T. C.

oils with pure linseed oil; that the representation and statement by respondent in its advertising matter that its linseed oil is "second run" is false and misleading and calculated and designed to and does deceive the trade and the general public into believing respondents' products to be pure and unadulterated.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having reason to believe that the above-named respondents, Plomo Specialty Manufacturing Co. and Riverside Refining Co., have been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal trade commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in that respect; and the respondents having entered their appearance by their attorney, duly authorized and empowered to act in the premises, and having filed their answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and from therein set forth, and denying others therein contained, and thereafter having made and executed an agreed statement of facts which has been heretofore filed in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore, the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Plomo Specialty Manufacturing Co., is an Ohio corporation, with its principal place of business in the city of Cleveland, in said State, and the Riverside Refining Co. is a corporate trade name adopted by the Plomo Specialty Manufacturing Co. as a medium for marketing oils, greases, and paints, and exists for the sole purpose of marketing and selling products of the Plomo Specialty Manufacturing Co.; that the said Plomo Specialty Manufacturing Co. is now and at all times hereinafter mentioned has been engaged in the business of manufacturing, purchasing, selling, and reselling certain oils, turpentine, and kindred products in competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That in the conduct of its business the said respondent has through its own name and through its corporate trade name, Riverside Refining Co., purchased the component ingredients used in the manufacture of said oils and turpentine in various States of the United States and transported the same through other States to the city of Cleveland, State of Ohio, where they were manufactured into the finished product and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among the other States of the United States, and there is continuously and has been at all times herein mentioned a constant current of trade in commerce of said products between and among the various States of the United States, the District of Columbia, and foreign countries.

PAR. 3. That respondent, through its selling medium, Riverside Refining Co., for more than a year last past in the sale of its products as aforesaid in interstate commerce, has represented by means of advertisements and brands, placed on containers, to the purchasing public that turpentine and linseed oil sold by it are "second run." That linseed oil is pressed from the flaxseed. That there is no such product as "second run" linseed oil. That the product called "second run" linseed oil by respondent is linseed oil adul-

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terated with mineral oil. That respondent's so-called "second run" is composed of 45 per cent linseed oil, 10 per cent turpentine, and 45 per cent mineral oil. That the use of the term "second run" misleads the purchasing public into believing that linseed oil sold and advertised as "second run" is a pure product.

PAR. 4. That the respondent, through its selling medium, Riverside Refining Co., for more than a year last past represented by means of advertisements and brands to the purchasing public that the turpentine sold by it was "second run." That there is no such product commercially known as "second run" turpentine. That respondent's so-called "second run" turpentine is composed of 30 to 40 per cent turpentine and 60 to 70 per cent low-grade mineral oil. That the use of the term "second run" as applied to turpentine misleads the purchasing public into believing turpentine sold and advertised as "second run" is a pure product. And, further, the application of the term "second run" to a mixture which contains turpentine implies a product which has been obtained by a second running of pine trees from which commercial turpentine has previously been taken.

PAR. 5. That respondent, through its selling medium, Riverside Refining Co., has stated in its advertising matter that its so-called "second run" linseed oil and "second run" turpentine are not pure products and are not recommended for medicinal purposes, and respondent's salesmen are expressly instructed to so advise purchasers.

CONCLUSION.

That the method of competition set forth in the foregoing findings, under the circumstances is an unfair method of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, Plomo Specialty Manufacturing Co. and Riverside Refining Co., having entered its appearance by Tolles, Hogsett, Ginn & Morley, its attorneys, duly authorized and empowered to act in the premises, and having filed his answer and thereafter having made, executed, and filed an agreed statement of facts in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, its agents, representatives, servants, employees, and its selling medium, Riverside Refining Co., cease and desist from directly or indirectly holding out and representing by means of advertisements and brands, that a mixture of turpentine and low grade mineral oil is "second run" turpentine, that a mixture of linseed oil and low grade mineral oil is "second run" linseed oil, or using or applying the term "second run" in any way whatsoever to adulterated turpentine and linseed oil which may tend to lead the purchasing public to believe such adulterated products to which the term "second run" is applied are pure and unadulterated.

Complaint.

2 F. T. C.

FEDERAL TRADE COMMISSION

v.

WINSTED HOSIERY CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket No. 214.—January 29, 1920.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of underwear, shirts, and other wearing apparel, in competition with manufacturers making underwear composed wholly of wool and by them branded and labeled as such, branded, labeled, advertised, and sold certain knit goods as "Men's natural merino," "Men's gray wool shirts," "Men's natural-wool shirts," "Men's natural-worsted shirts," and "Men's Australian wool shirts," although such goods were composed partly of cotton:

Held, That such branding, labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition, in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Winsted Hosiery Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, Winsted Hosiery Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Connecticut, having its principal factory, office, and place of business located at the town of Winsted, in said State, now and for more than one year last past engaged in manufacturing

and selling underwear throughout the States and Territories of the United States, and that at all times hereinafter mentioned respondent has carried on and conducted such business in competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, Winsted Hosiery Co., in the conduct of its business, manufactures such underwear so sold by it in its factory located at the town of Winsted, State of Connecticut, and purchases and enters into contracts of purchase for the necessary component materials needed therefor in different States and Territories of the United States, transporting the same through other States of the United States in and to said town of Winsted, where they are made and manufactured into the finished product and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among other States and Territories of the United States and the District of Columbia, and there is continuously and has been at all times hereinafter mentioned a constant current of trade in commerce in said underwear between and among the various States of the United States, the Territories thereof, and the District of Columbia, and especially to and through the town of Winsted, State of Connecticut, and therefrom to and through other States of the United States, the Territories thereof, and the District of Columbia.

PAR. 3. That for more than one year last past the respondent, Winsted Hosiery Co., with the purpose, intent, and effect of stifling and suppressing competition in the manufacture and sale of underwear in interstate commerce, has in the conduct of its business manufactured and sold in commerce aforesaid and labeled, advertised, and branded certain lines of underwear composed of but a small amount of wool as "Men's natural merino shirts," "Men's gray wool shirts," "Men's natural wool shirts," "Men's natural worsted shirts," "Australian wool shirts." That such advertisements, brands, and labels are false and misleading and calculated and designed to, and do, deceive the trade and general public into the belief that such underwear is manufactured and made and composed wholly of wool.

Findings.

2 F. T. C.

REPORT, FINDINGS AS TO THE FACTS, AND
ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, Winsted Hosiery Co., has been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in that respect; and the respondent having entered its appearance by its attorney, duly authorized and empowered to act in the premises, and having filed its answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth and denying others therein contained, and thereafter having made and executed an agreed statement of facts which has been heretofore filed in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Winsted Hosiery Co., is a Connecticut corporation, with its principal place of business located at the town of Winsted, in said State, and has for several years been engaged in the manufacture and sale of underwear, shirts, and other wearing apparel throughout the various States of the United States and has conducted its business in competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the respondent, Winsted Hosiery Co., in the conduct of its business manufactures its products and sells and ships same to purchasers thereof located in different States of the United States; that after such products are so manufactured they are continuously moved to, from, and among the different States of the United States, and there is continually, and has been at all times hereinafter mentioned, a constant current of trade and commerce in said products between and among the various States of the United States.

PAR. 3. That for more than a year last past the respondent in the sale and shipment of its products in interstate commerce as hereinbefore described has labeled, advertised, and branded certain lines of underwear as follows: "Men's natural merino," "Men's gray wool shirts," "Men's natural wool shirts," "Men's natural worsted shirts," "Men's Australian wool shirts."

PAR. 4. That the aforesaid articles of wearing apparel are not composed wholly of wool, part of the material in the said articles being wool and part being cotton, the percentage of wool in the said articles varying from 20 to 80 per cent; that the aforesaid brands and labels do not show or indicate the true composition and constituent parts of the materials used in the manufacture of the said articles of wearing apparel; that the brands and labels used to mark the said articles named in paragraph 3 indicate same are composed wholly of wool, and thereby the purchasing public is led to believe the said articles branded and labeled as aforesaid are composed wholly of wool.

PAR. 5. That for the past 20 years it has been a general custom and practice in the underwear business to label and brand underwear as "natural merino," "wool," "natural wool," "natural worsted," and "Australian wool," when in fact such underwear so described is not composed wholly of wool; that this custom and practice is general in the underwear trade throughout the United States; that there are a few manufacturers of underwear whose products are composed wholly of wool and are branded and labeled by them as such.

Order.

2 F. T. C.

CONCLUSION.

From the foregoing findings, the Commission concludes that the method of competition set forth is, under the circumstances set forth, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, Winsted Hosiery Co., having entered its appearance by Wood, Molloy & France, its attorneys, duly authorized and empowered to act in the premises, and having filed its answer and thereafter having made, executed, and filed an agreed statement of facts in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, Winsted Hosiery Co., its officers, agents, representatives, servants, and employees, cease and desist from directly or indirectly employing or using the labels and brands "wool," "merino," and "worsted," or any similar descriptive brands or labels, on underwear, socks, or other knit goods composed partly of wool, except either (1) when a knit fabric is made entirely

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of wool yarns of a kind specified, or (2) when the term describing the wool stock is joined with the name of other staple or staples contained in the knitted fabric (e. g., wool-and-cotton; worsted-and-cotton; wool worsted-merino and cotton; worsted, cotton and artificial silk).

Respondent is further ordered to file a report, in writing, with the Commission three months from notice hereof stating in detail the manner in which this order has been complied with and conformed to.

FEDERAL TRADE COMMISSION

v.

THE H. E. BRADFORD CO., INC.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 346.—January 29, 1920.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of underwear, shirts, and other wearing apparel, in competition with manufacturers making underwear composed wholly of wool and by them branded and labeled as such, branded, labeled, advertised, and sold certain knit goods as "Men's merino shirts," "Men's natural wool union suits," although such goods were composed partly of cotton:

Held, That such branding, labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that The H. E. Bradford Co., Inc., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and

Complaint.

2 F. T. C.

it appearing that a proceeding by it in respect thereof would be to the interest of the public issues this complaint, stating its charges in that respect, on information and belief as follows:

PARAGRAPH 1. That the respondent, The H. E. Bradford Co., Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Vermont, having its principal office and place of business in the city of Bennington, in said State, now and for more than two years last past engaged in the manufacture and sale of underwear in and among the various States of the United States and the District of Columbia, in direct competition with other persons, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent in the conduct of its business manufactures such underwear so sold by it at its factory in the city of Bennington, State of Vermont, and purchases and enters into contracts for the purchase of the necessary component materials needed therefor in the different States of the United States, transporting the same through other States of the United States in and to said city of Bennington, where they are made and manufactured into the finished product and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moving to, from, and among the other States of the United States and the District of Columbia, and there is continuously and has been at all times hereinafter mentioned a constant current of trade in commerce in said underwear between and among the various States of the United States, and especially to and through the city of Bennington, State of Vermont, and therefrom to and through the other States of the United States and the District of Columbia.

PAR. 3. That for more than two years last past the respondent, with the effect of stifling and suppressing competition in the manufacture and sale of underwear in interstate commerce, has in the conduct of its business labeled, advertised, and branded certain lines of underwear manufactured by it and composed but partly of wool, as "Men's merino shirts," "Men's natural wool union suits."

That such advertisements, brands, and labels are false and misleading and calculated and designed to and do deceive the trade and general public into the belief that such underwear is manufactured and composed wholly of wool.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, The H. E. Bradford Co., Inc., has been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal trade commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in that respect; and the respondent having entered its appearance by its attorney, duly authorized and empowered to act in the premises, and having filed its answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth, and denying others therein contained, and thereafter having made and executed an agreed statement of facts which has been heretofore filed, in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, The H. E. Bradford Co., Inc., is a Vermont corporation, with its principal

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2 F. T. C.

place of business located in the city of Bennington, in said State, and has for several years been engaged in the manufacture and sale of underwear, shirts, and other wearing apparel throughout the various States of the United States, and has conducted its business in competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the respondent, The H. E. Bradford Co., Inc., in the conduct of its business manufactures its products and sells and ships same to purchasers thereof located in different States of the United States; that after such products are so manufactured they are continuously moved to, from, and among the different States of the United States, and there is continually, and has been at all times hereinafter mentioned, a constant current of trade and commerce in said products between and among the various States of the United States.

PAR. 3. That for more than a year last past the respondent, in the sale and shipment of its products in interstate commerce, as hereinbefore described, has labeled, advertised, and branded certain lines of underwear as follows: "Men's merino shirts," "Men's natural wool union suits."

PAR. 4. That the aforesaid articles of wearing apparel are not composed wholly of wool, part of the material in the said articles being wool and part being cotton, the percentage of wool in the said articles varying from 20 to 80 per cent; that the aforesaid brands and labels do not show or indicate the true composition and constituent parts of the materials used in the manufacture of the said articles of wearing apparel; that the brands and labels used to mark the said articles named in paragraph 3 indicate same are composed wholly of wool, and thereby the purchasing public is led to believe the said articles branded and labeled as aforesaid are composed wholly of wool.

PAR. 5. That for the past 20 years it has been a general custom and practice in the underwear business to label and brand underwear as "Natural merino," "Wool," "Natural wool," "Natural worsted," and "Australian wool," when in fact such underwear so described is not composed wholly of wool; that this custom and practice is general in the under-

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wear trade throughout the United States; that there are a few manufacturers of underwear whose products are composed wholly of wool and are branded and labeled by them as such.

CONCLUSION.

From the foregoing findings the Commission concludes that the method of competition set forth is, under the circumstances set forth, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, The H. E. Bradford Co., Inc., having entered its appearance by Wood, Molloy & France, its attorneys, duly authorized and empowered to act in the premises, and having filed its answer and thereafter having made, executed, and filed an agreed statement of facts, in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, The H. E. Bradford Co., Inc., its officers, agents, representatives, servants, and employees, cease and desist from directly or indirectly em-

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2 F. T. C.

ploying or using the labels and brands "Merino" and "Natural wool," or any similar descriptive brands or labels on underwear, socks, or other knit goods composed partly of wool, except either (1) when a knit fabric is made entirely of wool yarns of a kind specified, or (2) when the term describing the wool stock is joined with the name of other staple or staples contained in the knitted fabric (e. g., Wool and cotton; Worsted and cotton; Wool worsted merino and cotton; Worsted, cotton, and artificial silk).

Respondent is further ordered to file a report in writing with the Commission three months from notice hereof, stating in detail the manner in which this order has been complied with and conformed to.

FEDERAL TRADE COMMISSION

v.

**E. I. FIRKS, DOING BUSINESS UNDER THE FIRM
NAME AND STYLE OF THE SPONGEABLE LINEN
COLLAR CO.**

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 354.—January 29, 1920.

SYLLABUS.

Where an individual engaged in the sale of collars composed chiefly of celluloid, but with a center layer of cotton fiber, adopted and used the trade-mark "Spongeable linen" to describe said collars, and advertised, held out, and sold the same as "Spongeable linen":
Held, That such labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe, from a preliminary investigation made by it, that E. I. Firks, doing business under the firm name and style of the Spongeable Linen Collar Co., hereinafter referred to as the respondent, has been and is using unfair methods of competi-

tion in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief as follows:

PARAGRAPH 1. That the respondent, E. I. Firks, doing business under the firm name and style of The Spongeable Linen Collar Co., has his principal office and place of business in the city of Cincinnati, State of Ohio, and is now and for more than four years last past has been engaged in the sale of collars in and among the several States of the United States and the District of Columbia, in direct competition with other persons, firms, copartnerships, and corporations similarly engaged.

PAR. 2. That the collars sold by the respondent are composed principally of celluloid, having a center layer of cotton fabric between two outer layers of celluloid, and are manufactured for the respondent in the State of New York, whence the respondent causes them to be transported to his place of business in the city of Cincinnati, in the State of Ohio, where they are sold and shipped to dealers in different States of the United States and the District of Columbia for resale to the public; and that there is continuously and has been at all times hereinafter mentioned a constant current of trade and commerce in said collars between and among the various States of the United States and the District of Columbia.

PAR. 3. That in connection with the sale of such collars as aforesaid respondent for more than four years last past has adopted and used the trade-mark "Spongeable linen" to describe said collars, and has advertised, held out, and sold his product as such for the purpose of securing for his collars an undue preference over the collars manufactured by competitors, and with the effect of deceiving and misleading the public and causing them to believe that respondent's collars are composed of linen.

Findings.

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**REPORT, FINDINGS AS TO THE FACTS, AND
ORDER.**

The Federal Trade Commission, having reason to believe that the above-named respondent, E. I. Firks, doing business under the firm name and style of The Spongeable Linen Collar Co., has been for more than one year last past using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in that respect; and the respondent having entered his appearance by his attorney, duly authorized and empowered to act in the premises, and having filed his answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth and denying others therein contained, and thereafter having made and executed an agreed statement of facts which has been heretofore filed, in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case, and in lieu of testimony, and shall forthwith thereupon make its report, stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, E. I. Firks, does business under the firm name and style of the Spongeable Linen Collar Co. and has his principal office and place of business in the city of Cincinnati, State of Ohio, and is now and for more than four years has engaged in the sale of collars in and among the several States of the United States in direct competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the collars sold by the respondent are composed chiefly of celluloid, having a center layer of cotton fabric between two outer layers of celluloid, and are manufactured for the respondent in the State of New York, whence the respondent causes them to be transported to his place of business in Cincinnati, State of Ohio, from where they are sold and shipped to dealers in different States of the United States for resale to the public; and there is continuously and has been at all times herein mentioned a constant current of trade and commerce in said collars between and among the various States of the United States.

PAR. 3. That in the sale of said collars respondent for more than four years last past has adopted and used the trade-mark "Spongeable linen" to describe said collars and has advertised, held out, and sold the said collars as such; that the trade-mark "Spongeable linen" used to describe and advertise the said collars deceives and misleads the purchasing public into believing that respondent's collars are composed of linen.

CONCLUSION.

That the method of competition set forth in the foregoing findings, under the circumstances, is an unfair method of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, E. I. Firks, doing business under the firm name and style of the Spongeable Linen Collar Co., having entered his appearance by Francis B. James, his attorney, duly authorized and empowered to act in the premises, and having filed his answer and thereafter having made, executed, and filed an agreed statement of facts in which he stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and proceed forthwith upon the same, and to make and enter

Syllabus.

2 F. T. C.

its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered. That the respondent, his agents, representatives, servants, and employees cease and desist from directly or indirectly applying or using in any manner whatsoever the word "Linen" to collars composed chiefly of celluloid; and further, from advertising or representing in any manner whatsoever to the purchasing public that collars manufactured chiefly from celluloid are composed of "Linen."

It is further ordered. That the respondent make and file with the Commission not later than the 29th day of May, A. D. 1920, a report in detail of the manner and form in which this order has been conformed to.

FEDERAL TRADE COMMISSION

v.

SOPHIE COHN, SAMUEL M. CHAZANOFF, AND
B. COUNSELBAUM, COPARTNERS, DOING BUSINESS UNDER THE FIRM NAME AND STYLE OF
THE GOOD WEAR TIRE & TUBE CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 403.—January 29, 1920.

SYLLABUS.

Where a partnership engaged in the business of cementing and sewing together used and second-hand tires—

(a) advertised the same extensively as "Double tread" tires, and sold them to the public throughout the United States without

clearly indicating that said tires were made of second-hand and unserviceable tires; and

- (b) adopted the name Good Wear Tire & Tube Co. as a trade name, with full knowledge of the fact that the Goodyear Tire & Rubber Co. was then, and had been for a number of years, engaged in the business of manufacturing and selling new automobile tires and tubes, and had, by means of extensive advertising, familiarized the public with its name and the quality of its products; the effect of the adoption by said partnership of a similar name being to cause confusion:

Held, That such false and misleading course of business and advertising, and such simulation, under the circumstances set forth, constituted unfair methods of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that Leo Cohen and B. Counselbaum, doing business under the firm name and style of The Good Wear Tire & Tube Co., hereinafter referred to as respondents, have been, and are, using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief, as follows:

PARAGRAPH 1. That the respondents, Leo Cohen and B. Counselbaum, are now and since March, 1919, have been copartners doing business under the firm name and style of the Good Wear Tire & Tube Co., having their principal office and place of business located in the city of Chicago, State of Illinois, and are now and have been since the month of March, 1919, engaged in the business of selling automobile tires and tubes throughout the States of the United States, the Territories thereof, the District of Columbia, and foreign countries, in direct competition with other persons, firms, copartnerships, and corporations similarly engaged.

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PAR. 2. That in the conduct of their business, respondents purchase second hand or used automobile tires in the various States and Territories of the United States and transport the same through other States and Territories of the United States in and to the city of Chicago, State of Illinois, where the respondents manufacture automobile tires so sold by them by cementing two of such used or secondhand automobile tires together, and then, by sewing two such tires together, when such tires are sold by means of catalogues, circulars, and advertisements, and without such catalogues, circulars, or advertisements, stating that such tires are manufactured from used or secondhand tires; but such catalogues, circulars, and advertisements are worded in such manner as to lead the purchasing public to believe that such tires, sold by respondents, are new and unused tires, with the effect of securing to the respondents an unfair advantage over their competitors, who are engaged in the manufacture and sale of new and unused tires, and with the effect of securing to the respondents an unfair advantage over their competitors engaged in the business of selling reconstructed secondhand or used tires.

PAR. 3. That the Goodyear Tire & Rubber Co. is now and has been for more than one year last past a corporation organized, existing, and doing business under and by virtue of the laws of the State of Ohio, with its principal factory and place of business located in the city of Akron, in said State, and with a branch office in the city of Chicago, and with branch offices in other cities of the United States, and engaged in the business of manufacturing new automobile tires and tubes and selling the same throughout the various States and Territories of the United States and the District of Columbia and foreign countries; that said Goodyear Tire & Rubber Co., by means of extensive advertising in catalogues, circulars, newspapers, and magazines, has caused its products to be well known in the trade and to be of a certain quality.

PAR. 4. That the respondents, Leo Cohen and B. Counsellbaum, well knowing that the automobile tires and tubes manufactured by the Goodyear Tire & Rubber Co. had been

for years extensively advertised throughout the United States, and well knowing that such products of the Goodyear Tire & Rubber Co. had acquired a certain reputation for quality, and well knowing that the said Goodyear Tire & Rubber Co. had a branch office located in the said city of Chicago, adopted as their trade name Good Wear Tire & Tube Co., which trade name so closely resembles and simulates the name Goodyear Tire & Rubber Co. as to induce and lead the public into believing that in doing business with the Good Wear Tire & Tube Co. they are dealing with the Goodyear Tire & Rubber Co.; that the respondents, trading as the Good Wear Tire & Tube Co., adopted in their advertisements a style and general scheme of the advertisements extensively used by the Goodyear Tire & Rubber Co. for many years, with the effect of causing the public to believe that the automobile tires and tubes advertised for sale in such advertisements were the products of the Goodyear Tire & Rubber Co., and with the further effect of securing to themselves the benefit and advantage of extensive advertising previously done by the Goodyear Tire & Rubber Co., and with the further effect, among others, of causing confusion and embarrassment to the Goodyear Tire & Rubber Co. in the operation of its business.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having issued and served its complaint, in which it is alleged that the above-named respondents have been and now are using unfair methods of competition in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, and fully stating its charges in this respect, and the respondent, B. Counselbaum, having entered his appearance, and Sophie Cohn and Samuel M. Chazanoff, having also entered their appearance as respondents herein, and having filed their answer admitting cer-

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tain allegations herein contained and denying others, and thereafter having made and executed an agreed statement of facts, which has been filed herein, and in which it is stipulated and agreed by the respondents that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case in lieu of testimony and shall forthwith proceed upon such agreed statement of facts to make its report, findings as to the facts and conclusion, and such order or orders as it may deem proper to enter thereon, the respondents hereby forever waiving and relinquishing any and all right to the introduction of other and further testimony, the Federal Trade Commission now makes and enters this its report, stating its findings as to the facts and its conclusions, as follows:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondents, Leo Cohn and B. Counselbaum, during the period between the months of March and July, 1919, were copartners doing business under the firm name and style of The Good Wear Tire & Tube Co.; that in the month of July, 1919, the said Leo Cohn retired from said partnership and was succeeded by Sophie Cohn and Samuel M. Chazanoff, since which time they, together with the respondent, B. Counselbaum, have continued to do business as a copartnership trading under the said firm name and style of The Good Wear Tire & Tube Co., having their principal office and place of business located at 2307-2309 South Indiana Avenue, in the city of Chicago, State of Illinois, and engaged in the business of manufacturing and selling remade or reconstructed automobile tires and in the shipment thereof from their place of business in Chicago, in the State of Illinois, to purchasers thereof in other States and Territories of the United States, in direct competition with other persons, firms, copartnerships, and corporations engaged in the manufacture of similar automobile tires and of automobile tires made from new and unused materials.

PAR. 2. That in the conduct of their business the respondents, Sophie Cohn, Samuel M. Chazanoff, and B. Counsel-

baum, purchase second-hand and unserviceable automobile tires in various States of the United States, and transport the same through other States and to the city of Chicago, State of Illinois, where the respondents manufacture automobile tires by cementing and sewing together two of such used and second-hand tires, which the respondents then designate as "Double tread" tires, by which name they are extensively advertised and sold to the public throughout the United States without other words of description which would clearly set forth the nature of the materials of which they are composed, or that they are made out of second-hand and unserviceable tires, as aforesaid; that the effect of the use of such designation without further words of description tends to mislead the purchasing public to believe that such tires are new and unused tires and manufactured from new and unused material.

PAR. 3. That the Goodyear Tire & Rubber Co. is now, and has been for more than one year last past, a corporation organized, existing, and doing business under and by virtue of the laws of the State of Ohio, with its principal factory and place of business located in the city of Akron, in said State, and with a branch office at 1544-1554 South Indiana Avenue, in the city of Chicago, State of Illinois, and with branch offices in other cities of the United States, and engaged in the business of manufacturing new automobile tires and tubes and selling the same throughout the various States and Territories of the United States and the District of Columbia and in foreign countries; that the said Goodyear Tire & Rubber Co., by means of extensive advertising in catalogues, circulars, newspapers, and magazines, has caused its products to be well known in the trade and to be of a certain quality.

PAR. 4. That the respondents Sophie Cohn, Samuel M. Chazanoff, and B. Counselbaum, with full knowledge of the facts set forth in paragraph 3 hereof, have at all times herein mentioned continued to use as their trade name "The Good Wear Tire & Tube Co.," which trade name so closely resembles the name of the Goodyear Tire & Rubber Co. that the effect thereof has been and is to cause confusion and

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embarrassment to the Goodyear Tire & Rubber Co. in the conduct and operation of its business.

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to the facts, under the circumstances therein set forth, are unfair methods of competition in commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein upon Leo Cohn and B. Counselbaum as copartners, doing business under the firm name and style of The Good Wear Tire & Tube Co., and Sophie Cohn, Samuel M. Chazanoff, and B. Counselbaum having entered their appearance as respondents herein and filed their answer, and thereafter having made, executed, and filed an agreed statement of facts in which it was stipulated that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and should further thereupon make and enter its report, findings as to the facts, and conclusions and such order or orders as it might deem proper to enter thereon, the respondents waiving any and all right to the introduction of other and further testimony, and the Federal Trade Commission having made and entered its report, stating its findings as to the facts and its conclusions, and that the above-named respondents had violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof; and the Federal Trade Commission having entered its order amending the complaint herein by the substitution of Sophie Cohn and Samuel M. Chazanoff as respondents in the place and stead of Leo Cohn: Now, therefore,

It is ordered, That the respondents and each of them cease and desist from designating and describing the automobile tires manufactured by them by cementing and sewing together two used and second-hand tires, and which are advertised and sold by them in interstate commerce, by the words "Double tread," without the use of other words which will clearly and unmistakably show that said tires are not made from new and unused materials, but are remade and reconstructed tires.

And it is further ordered, That the respondents and each of them cease and desist from doing business in interstate commerce under the firm name and style of The Good Wear Tire & Tube Co., or any similar name designed and calculated to simulate the corporate name of the Goodyear Tire & Rubber Co.

FEDERAL TRADE COMMISSION

v.

MOORE & TIERNEY.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 406.—January 29, 1920.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of underwear, shirts, and other wearing apparel, in competition with manufacturers making underwear composed wholly of wool and by them branded and labeled as such, branded, labeled, advertised, and sold certain knit goods as "pure wool," "natural mixed wool," although such goods were composed partly of cotton:

Held, That such branding, labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that Moore & Tierney, hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate

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commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief as follows:

PARAGRAPH 1. That the respondent, Moore & Tierney, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, having its principal office and place of business in the city of Cohoes, in said State, and is now and for more than two years last past, has been engaged in the manufacture and sale of underwear in and among the various States of the United States and the District of Columbia, in direct competition with other persons, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, in the conduct of its business purchases and enters into contracts for the purchase of the necessary component materials needed therefor in the different States of the United States, transporting the same through other States of the United States in and to said city of Cohoes, where they are made and manufactured into the finished products and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among the other States of the United States and the District of Columbia, and there is continuously and has been at all times hereinafter mentioned a constant current of trade in commerce in said underwear between and among the various States of the United States, and especially to and through the city of Cohoes, State of New York, and therefrom to and through other States of the United States and the District of Columbia.

PAR. 3. That for more than two years last past the respondent, with the effect of stifling and suppressing competition in the manufacture and sale of underwear in interstate commerce, has in the conduct of its business labeled, advertised, and branded certain lines of underwear manufactured

by it and composed but partly of wool as "Pure wool," "Natural mixed wool"; that such advertisements, brands, and labels are false and misleading and calculated and designed to and do deceive the trade and general public into the belief that such underwear is manufactured and composed wholly of wool.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, Moore & Tierney, has been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public, and fully stating its charges in that respect; and the respondent having entered its appearance by its attorney, duly authorized and empowered to act in the premises, and having filed its answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth and denying others therein contained, and thereafter having made and executed an agreed statement of facts, which has been heretofore filed, in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore, the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Moore & Tierney, is a New York corporation, with its principal place of business

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located at the city of Cohoes, in said State, and has for several years been engaged in the manufacture and sale of underwear, shirts, and other wearing apparel throughout the various States of the United States and has conducted its business in competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the respondent, Moore & Tierney, in the conduct of its business manufactures its products and sells and ships same to purchasers thereof located in different States of the United States; that after such products are so manufactured they are continuously moved to, from, and among the different States of the United States, and there is continually and has been at all times hereinafter mentioned a constant current of trade and commerce in said products between and among the various States of the United States.

PAR. 3. That for more than a year last past the respondent in the sale and shipment of its products in interstate commerce as hereinbefore described has labeled, advertised, and branded certain lines of underwear as follows: "Pure wool," "Natural mixed wool."

PAR. 4. That the aforesaid articles of wearing apparel are not composed wholly of wool, part of the material in the said articles being wool and part being cotton, the percentage of wool in the said articles varying from 20 to 80 per cent. That the brands and labels used to mark the said articles named in paragraph 3 indicate same are composed wholly of wool, and thereby the purchasing public is led to believe the said articles branded and labeled as aforesaid are composed wholly of wool. That the aforesaid brands and labels do not show or indicate the true composition and constituent parts of the materials used in the manufacture of the said articles of wearing apparel.

PAR. 5. That for the past 20 years it has been a general custom and practice in the underwear business to label and brand underwear as "Natural merino," "Wool," "Natural wool," "Natural worsted," and "Australian wool," when in fact such underwear so described is not composed wholly of wool; that this custom and practice is general in the under-

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wear trade throughout the United States; that there are a few manufacturers of underwear whose products are composed wholly of wool and are branded and labeled by them as such.

CONCLUSION.

From the foregoing findings the Commission concludes that the method of competition set forth is, under the circumstances set forth, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, Moore & Tierney, having entered its appearance by Wood, Molloy & France, its attorneys, duly authorized and empowered to act in the premises, and having filed its answer and thereafter having made, executed, and filed an agreed statement of facts in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, Moore & Tierney, its officers, agents, representatives, servants, and employees cease and desist from directly or indirectly employing or using the labels and brands "Pure wool" and "Natural mixed

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wool" or any similar descriptive brands or labels on underwear, socks, or other knit goods composed partly of wool, except either (1) when a knit fabric is made entirely of wool yarns of a kind specified, or (2) when the term describing the wool stock is joined with the name of other staple or staples contained in the knitted fabric (e. g., wool and cotton; worsted and cotton; wool, worsted, merino, and cotton; worsted, cotton, and artificial silk).

Respondent is further ordered to file a report in writing with the Commission three months from notice hereof stating in detail the manner in which this order has been complied with and conformed to.

FEDERAL TRADE COMMISSION*v.*G. H. McDOWELL, TRADING UNDER THE FIRM
NAME AND STYLE OF G. H. McDOWELL & CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 407.—January 29, 1920.

SYLLABUS.

Where an individual engaged in the manufacture and sale of underwear, shirts, and other wearing apparel, in competition with manufacturers making underwear composed wholly of wool and by them branded and labeled as such, branded, labeled, advertised, and sold certain knit goods as "Australian wool drawers," "Australian wool shirts," "Fine wool shirts," "Fine natural wool shirts," "Fine natural wool vests," although such goods were composed partly of cotton:

Held, That such branding, labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that G. H. Mc-

Dowell, trading under the firm name and style of G. H. McDowell & Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief as follows:

PARAGRAPH 1. That the respondent, G. H. McDowell, trading under the firm name and style of G. H. McDowell & Co., has his principal office and place of business in the city of Cohoes, State of New York, and is now and for more than two years last past has been engaged in the manufacture and sale of underwear in and among the various States of the United States and the District of Columbia, in direct competition with other persons, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, in the conduct of his business, purchases and enters into contracts for the purchase of the necessary component materials needed therefor in the different States of the United States, transporting the same through other States of the United States in and to said city of Cohoes, where they are made and manufactured into the finished product and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among other States of the United States and the District of Columbia, and there is continuously and has been at all times hereinafter mentioned a constant current of trade in commerce in said underwear between and among the various States of the United States, and especially to and through the city of Cohoes, State of New York, and therefrom to and through the other States of the United States and the District of Columbia.

PAR. 3. That for more than two years last past the respondent, with the effect of stifling and suppressing competition in the manufacture and sale of underwear in interstate commerce, has in the conduct of his business labeled,

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advertised, and branded certain lines of underwear manufactured by it and composed but partly of wool as "Australian wool drawers," "Australian wool shirts," "Fine wool shirts," "Fine natural wool shirts," "Fine natural wool vests"; that such advertisements, brands, and labels are false and misleading, and calculated and designed to and do deceive the trade and general public into the belief that such underwear is manufactured and composed wholly of wool.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission, having reason to believe that the above-named respondent, G. H. McDowell, trading under the firme name and style of G. H. McDowell & Co., has been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in that respect; and the respondent having entered his appearance by his attorney, duly authorized and empowered to act in the premises, and having filed his answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth, and denying others therein contained, and thereafter having made and executed an agreed statement of facts, which has been heretofore filed, in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report, stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore, the Federal Trade Commission now makes and enters this its report, stating its findings as to the facts and its conclusion.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, G. H. McDowell, trading under the firm name and style of G. H. McDowell & Co., has his principal place of business in the city of Cohoes, State of New York, and has for several years been engaged in the manufacture and sale of underwear, shirts, and other wearing apparel throughout the various States of the United States, and has conducted his business in competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the respondent, G. H. McDowell & Co., in the conduct of its business manufactures its products and sells and ships same to purchasers thereof located in different States of the United States; that after such products are so manufactured they are continuously moved to, from, and among the different States of the United States, and there is continually and has been at all times hereinafter mentioned a constant current of trade and commerce in said products between and among the various States of the United States.

PAR. 3. That for more than a year last past the respondent in the sale and shipment of its products in interstate commerce as hereinbefore described has labeled, advertised, and branded certain lines of underwear as follows: "Australian wool drawers," "Australian wool shirts," "Fine wool shirts," "Fine natural wool shirts," "Fine natural wool vests."

PAR. 4. That the aforesaid articles of wearing apparel are not composed wholly of wool, part of the material in the said articles being wool and part being cotton, the percentage of wool in the said articles varying from 20 to 80 per cent. That the brands and labels used to mark the said articles named in paragraph 3 indicate same are composed wholly of wool, and thereby the purchasing public is led to believe the said articles branded and labeled as aforesaid are composed wholly of wool; that the aforesaid brands and labels do not show or indicate the true composition and constituent parts of the materials used in the manufacture of the said articles of wearing apparel.

PAR. 5. That for the past 20 years it has been a general custom and practice in the underwear business to label and brand underwear as "Natural merino," "Wool," "Natural

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wool," "Natural worsted," and "Australian wool," when, in fact, such underwear so described is not composed wholly of wool; that this custom and practice is general in the underwear trade throughout the United States; that there are a few manufacturers of underwear whose products are composed wholly of wool and are branded and labeled by them as such.

CONCLUSION.

From the foregoing findings the Commission concludes that the method of competition set forth is, under the circumstances set forth, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein and the respondent, G. H. McDowell, trading under the firm name and style of G. H. McDowell & Co., having entered his appearance by Wood, Molloy & France, his attorneys, duly authorized and empowered to act in the premises, and having filed his answer and thereafter having made, executed, and filed an agreed statement of facts, in which he stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, G. H. McDowell, trading under the firm name and style of G. H. McDowell & Co., his officers, agents, representatives, servants, and employees cease and desist from directly or indirectly employing or using the labels and brands "Australian wool," "Fine wool," and "Fine natural wool," or any similar descriptive brands or labels on underwear, socks, or other knit goods composed partly of wool, except either (1) when a knit fabric is made entirely of wool yarns of a kind specified, or (2) when the term describing the wool stock is joined with the name of other staple or staples contained in the knitted fabric (e. g., wool and cotton; worsted and cotton; wool-worsted merino and cotton; worsted, cotton, and artificial silk).

Respondent is further ordered to file a report in writing with the Commission three months from notice hereof stating in detail the manner in which this order has been complied with and conformed to.

FEDERAL TRADE COMMISSION

v.

THE FAITH KNITTING CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket No. 408.—January 29, 1920.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of underwear, shirts, and other wearing apparel, in competition with manufacturers making underwear composed wholly of wool and by them branded, and labeled as such, branded, labeled, advertised, and sold certain knit goods as "Men's wool union suits," "Men's wool ribbed shirts," "Wool," "Natural heavy ribbed wool," although such goods were composed partly of cotton:

Held, That such branding, labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

Complaint.

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COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Faith Knitting Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief as follows:

PARAGRAPH 1. That the respondent, the Faith Knitting Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, having its principal office and place of business in the city of Averill Park, in said State, and is now and for two years last past has been engaged in the manufacture and sale of shirts and underwear in and among the various States of the United States and the District of Columbia, in direct competition with other persons, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, in the conduct of its business, purchases and enters into contracts for the purchase of the necessary component materials needed therefor in the different States of the United States, transporting the same through other States of the United States in and to said city of Averill Park, where they are made and manufactured into the finished product and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among the other States of the United States and the District of Columbia, and there is continuously, and has been at all times hereinafter mentioned, a constant current of trade in commerce in said underwear between and among the various States of the United States, and especially to and through the city of Averill Park, State of New York, and therefrom to and

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through the other States of the United States and the District of Columbia.

PAR. 3. That for more than two years last past the respondent, with the effect of stifling and suppressing competition in the manufacture and sale of underwear in interstate commerce, has in the conduct of its business labeled, advertised, and branded certain lines of underwear manufactured by it and composed partly of wool as "Men's wool union suits," "Men's wool ribbed shirts," "Wool," "Natural heavy ribbed wool"; that such advertisements, brands, and labels are false and misleading and calculated and designed to and do deceive the trade and general public into the belief that such underwear is manufactured and composed wholly of wool.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, the Faith Knitting Co., has been for more than one year last past using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public, and fully stating its charges in that respect; and the respondent having entered its appearance by its attorney, duly authorized and empowered to act in the premises, and having filed its answer, admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth and denying others therein contained, and thereafter having made and executed an agreed statement of facts, which has been heretofore filed, in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony and shall forthwith thereupon make its report, stating its findings as to the facts,

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its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument, therefore the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Faith Knitting Co., is a New York corporation, with its principal place of business in the city of Averill Park, in said State, and has for several years been engaged in the manufacture and sale of underwear, shirts, and other wearing apparel throughout the various States of the United States, and has conducted its business in competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the respondent, the Faith Knitting Co., in the conduct of its business manufactures its products and sells and ships same to purchasers thereof located in different States of the United States; that after such products are so manufactured they are continuously moved to, from, and among the different States of the United States, and there is continually and has been at all times hereinafter mentioned a constant current of trade and commerce in said products between and among the various States of the United States.

PAR. 3. That for more than a year last past the respondent in the sale and shipment of its products in interstate commerce as hereinbefore described has labeled, advertised, and branded certain lines of underwear as follows: "Men's wool union suits," "Men's wool ribbed shirts," "Wool," "Natural heavy ribbed wool."

PAR. 4. That the aforesaid articles of wearing apparel are not composed wholly of wool, part of the material in the said articles being wool and part being cotton, the percentage of wool in the said articles varying from 20 to 80 per cent; that the brands and labels used to mark the said articles named in paragraph 3 indicate same are composed wholly of wool, and thereby the purchasing public is led to believe the said articles branded and labeled as aforesaid are com-

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posed wholly of wool; that the aforesaid brands and labels do not show or indicate the true composition and constituent parts of the materials used in the manufacture of the said articles of wearing apparel.

PAR. 5. That for the past 20 years it has been a general custom and practice in the underwear business to label and brand underwear as "Natural merino," "Wool," "Natural wool," "Natural worsted," and "Australian wool," when in fact such underwear so described is not composed wholly of wool; that this custom and practice is general in the underwear trade throughout the United States; that there are a few manufacturers of underwear whose products are composed wholly of wool and are branded and labeled by them as such.

CONCLUSION.

From the foregoing findings the Commission concludes that the method of competition set forth is, under the circumstances set forth, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, the Faith Knitting Co., having entered its appearance by Wood, Molloy & France, its attorneys, duly authorized and empowered to act in the premises, and having filed its answer, and thereafter having made, executed, and filed an agreed statement of facts in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case, and in lieu of testimony, and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of the same, and the Federal Trade Commission having made

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and entered its report stating its findings as to the facts, and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, the Faith Knitting Co., its officers, agents, representatives, servants, and employees, cease and desist from directly or indirectly employing or using the labels and brands "Men's wool union suits," "Men's wool ribbed shirts," "Natural heavy-ribbed wool," and "Wool," or any similar descriptive brands or labels on underwear, socks, or other knit goods composed partly of wool, except either (1) when a knit fabric is made entirely of wool yarns of a kind specified or (2) when the term describing the wool stock is joined with the name of other staple or staples contained in the knitted fabric (e. g., wool and cotton; worsted and cotton; wool-worsted merino and cotton; worsted, cotton, and artificial silk).

Respondent is further ordered to file a report in writing with the Commission three months from notice hereof stating in detail the manner in which this order has been complied with and conformed to.

FEDERAL TRADE COMMISSION

v.

BLACK CAT TEXTILES CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 400.--January 29, 1920.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of underwear, shirts, and other wearing apparel, in competition with manufacturers making underwear composed wholly of wool and by them branded and labeled as such, branded, labeled, advertised,

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and sold certain knit goods as "White worsted," "Natural worsted," "White wool," "Natural wool," "Gray worsted," although such goods were composed partly of cotton:

Held, That such branding, labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Black Cat Textiles Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief, as follows:

PARAGRAPH 1. That the respondent, Black Cat Textiles Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, having its principal office and place of business in the city of Kenosha, State of Wisconsin, and is now and for more than two years last past has been engaged in the manufacture and sale of underwear in and among the various States of the United States and the District of Columbia, in direct competition with other persons, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent in the conduct of its business purchases and enters into contracts for the purchase of the necessary component materials needed therefor in the different States of the United States, transporting the same through other States of the United States in and to said city of Kenosha, where they are sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among the other States of the United States and the District of Columbia, and there is continuously and has been at all times hereinafter mentioned a constant current of trade in commerce in said under-

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wear between and among the various States of the United States, and especially to and through the city of Kenosha, State of Wisconsin, and therefrom to and through the other States of the United States and the District of Columbia.

PAR. 3. That for more than two years last past the respondent, with the effect of stifling and suppressing competition in the manufacture and sale of its underwear in interstate commerce, has in the conduct of its business labeled, advertised, and branded certain lines of underwear manufactured by it and composed but partly of wool as "White worsted," "White wool," "Blue wool," "Natural worsted," "Natural wool," "Gray worsted"; that such advertisements, brands, and labels are false and misleading and calculated and designed to and do deceive the trade and general public into the belief that such underwear is manufactured and composed wholly of wool.

REPORT, FINDINGS AS TO THE FACTS, AND
ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, Black Cat Textiles Co., has been for more than one year last past using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in that respect; and the respondent having entered its appearance by its attorney, duly authorized and empowered to act in the premises, and having filed its answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth and denying others therein contained, and thereafter having made and executed an agreed statement of facts which has been heretofore filed in which it is stipulated and agreed by the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forth-

with thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Black Cat Textiles Co., is a Delaware corporation with its principal place of business in the city of Kenosha, State of Wisconsin, and has for several years been engaged in the manufacture and sale of underwear, shirts, and other wearing apparel throughout the various States of the United States, and has conducted its business in competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the respondent, Black Cat Textiles Co., in the conduct of its business manufactures its products and sells and ships same to purchasers thereof located in different States of the United States; that after such products are so manufactured they are continuously moved to, from, and among the different States of the United States, and there is continually and has been at all times hereinafter mentioned a constant current of trade and commerce in said products between and among the various States of the United States.

PAR. 3. That for more than a year last past the respondent in the sale and shipment of its products in interstate commerce as hereinbefore described has labeled, advertised, and branded certain lines of underwear, as follows: "White worsted," "Natural worsted," "White wool," "Natural wool," "Gray worsted."

PAR. 4. That the aforesaid articles of wearing apparel are not composed wholly of wool, part of the material in the said articles being wool and part being cotton, the percentage of wool in the said articles varying from 20 to 80 per cent; that the aforesaid brands and labels do not show or indicate the true composition and constituent parts of the materials used in the manufacture of the said articles of

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wearing apparel; that the brands and labels used to mark the said articles named in paragraph 3 indicate same are composed wholly of wool, and thereby the purchasing public is led to believe the said articles branded and labeled as aforesaid are composed wholly of wool.

PAR. 5. That for the past 20 years it has been a general custom and practice in the underwear business to label and brand underwear as "Natural merino," "Wool," "Natural wool," "Natural worsted," and "Australian wool," when in fact such underwear so described is not composed wholly of wool; that this custom and practice is general in the underwear trade throughout the United States; that there are a few manufacturers of underwear whose products are composed wholly of wool and are branded and labeled by them as such.

CONCLUSION.

From the foregoing findings, the Commission concludes that the method of competition set forth is, under the circumstances set forth, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, Black Cat Textiles Co., having entered its appearance by Millor, Mack & Fairchild, its attorneys duly authorized and empowered to act in the premises, and having filed its answer and thereafter having made, executed, and filed an agreed statement of facts in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and proceed forthwith upon the same, and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony, or the presentation of argument in sup-

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port of the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, Black Cat Textiles Co., its officers, agents, representatives, servants, and employees cease and desist from directly or indirectly employing or using the labels and brands "White worsted," "White wool," "Natural worsted," "Natural wool," and "Gray worsted," or any similar descriptive brands or labels on underwear, socks, or other knit goods composed partly of wool, except either (1) when a knit fabric is made entirely of wool yarns of a kind specified, or (2) when the term describing the wool stock is joined with the name of other staple or staples contained in the knitted fabric (e. g., wool and cotton; worsted and cotton; wool-worsted-merino and cotton; worsted, cotton, and artificial silk).

Respondent is further ordered to file a report in writing with the Commission three months from notice hereof, stating in detail the manner in which this order has been complied with and conformed to.

FEDERAL TRADE COMMISSION

v.

WILLIAM MOORE KNITTING CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF
SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914.

Docket 410.—January 29, 1920.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of underwear, shirts, and other wearing apparel, in competition with manufacturers making underwear composed wholly of wool and by them

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branded and labeled as such, branded, labeled, advertised, and sold certain knit goods as "Australian wool," "Pure natural wool," "White wool," "Fine natural wool," although such goods were composed partly of cotton:

Held, That such branding, labeling, advertising, and sales, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Wm. Moore Knitting Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief, as follows:

PARAGRAPH 1. That the respondent, Wm. Moore Knitting Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, having its principal office and place of business in the city of Cohoes, in said State, and is now and for more than two years last past has been engaged in the manufacture and sale of underwear in and among the various States of the United States and the District of Columbia, in direct competition with other persons, copartnerships, and corporations similarly engaged.

PAR. 2. That the respondent, in the conduct of its business, purchases and enters into contracts for the purchase of the necessary component materials needed therefor in the different States of the United States, transporting the same through other States of the United States in and to said city of Cohoes, where they are made and manufactured into the finished products and sold and shipped to purchasers thereof; that after such products are so manufactured they are continuously moved to, from, and among the other States of the

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United States and the District of Columbia, and there is continuously and has been at all times hereinafter mentioned a constant current of trade in commerce in said underwear between and among the various States of the United States, and especially to and through the city of Cohoes, State of New York, and therefrom to and through the other States of the United States and the District of Columbia.

PAR. 3. That for more than two years last past the respondent, with the effect of stifling and suppressing competition in the manufacture and sale of its underwear in interstate commerce, has in the conduct of its business labeled, advertised, and branded certain lines of underwear manufactured by it and composed but partly of wool as "Australian wool," "Pure natural wool," "White wool," "Fine natural wool"; that such advertisements, brands, and labels are false and misleading and calculated and designed to and do deceive the trade and general public into the belief that such underwear is manufactured and composed wholly of wool.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having reason to believe that the above-named respondent, Moore Knitting Co., has been for more than one year last past using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public, and fully stating its charges in that respect; and the respondent having entered its appearance by its attorney, duly authorized and empowered to act in the premises, and having filed its answer admitting that certain of the matters and things alleged in the said complaint are true in the manner and form therein set forth, and denying others therein contained, and thereafter having made and executed an agreed statement of facts which has been heretofore filed in which it is stipulated and agreed by

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the respondent that the Federal Trade Commission shall take such agreed statement of facts as evidence in this case and in lieu of testimony, and shall forthwith thereupon make its report stating its findings as to the facts, its conclusions, and its order disposing of this proceeding without the introduction of testimony or the presentation of argument; therefore, the Federal Trade Commission now makes and enters this its report stating its findings as to the facts and its conclusion.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, Moore Knitting Co., is a New York corporation, with its principal place of business in the city of Cohoes, in said State, and has for several years been engaged in the manufacture and sale of underwear, shirts, and other wearing apparel throughout the various States of the United States, and has conducted its business in competition with other persons, firms, and corporations similarly engaged.

PAR. 2. That the respondent, Moore Knitting Co., in the conduct of its business manufactures its products and sells and ships same to purchasers thereof located in the different States of the United States; that after such products are so manufactured they are continuously moved to, from, and among the different States of the United States, and there is continually, and has been at all times hereinafter mentioned, a constant current of trade and commerce in said products between and among the various States of the United States.

PAR. 3. That for more than a year last past the respondent in the sale and shipment of its products in interstate commerce hereinbefore described has labeled, advertised, and branded certain lines of underwear as follows: "Australian wool," "Pure natural wool," "White wool," "Fine natural wool."

PAR. 4. That the aforesaid articles of wearing apparel are not composed wholly of wool, part of the material in the said articles being wool and part being cotton, the percentage of wool in the said articles varying from 20 to 80 per cent; that the brands and labels used to mark the said articles named in paragraph 3 indicate same are composed

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wholly of wool, and thereby the purchasing public is led to believe the said articles branded and labeled as aforesaid are composed wholly of wool; that the aforesaid brands and labels do not show or indicate the true composition and constituent parts of the materials used in the manufacture of the said articles of wearing apparel.

PAR. 5. That for the past 20 years it has been a general custom and practice in the underwear business to label and brand underwear as "Natural merino," "Wool," "Natural wool," "Natural worsted," and "Australian wool," when in fact such underwear so described is not composed wholly of wool; that this custom and practice is general in the underwear trade throughout the United States; that there are a few manufacturers of underwear whose products are composed wholly of wool and are branded and labeled by them as such.

CONCLUSION.

From the foregoing findings the Commission concludes that the method of competition set forth is, under the circumstances set forth, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondent, William Moore Knitting Co., having entered its appearance by Wood, Molloy & France, its attorneys, duly authorized and empowered to act in the premises, and having filed its answer, and thereafter having made, executed, and filed an agreed statement of facts in which it stipulated and agreed that the Federal Trade Commission should take such agreed statement of facts as the evidence in this case and in lieu of testimony, and proceed forthwith upon the same and to make and enter its report stating its findings as to the facts, its conclusions, and its order without the introduction of testimony, and waiving therein any and all right to require the introduction of testimony or the presentation of argument in support of

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the same, and the Federal Trade Commission having made and entered its report stating its findings as to the facts and its conclusion that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, William Moore Knitting Co., its officers, agents, representatives, servants, and employees, cease and desist from directly or indirectly employing or using the labels and brands "Australian wool," "Pure natural wool," "White wool," and "Fine natural wool," or any similar descriptive brands or labels on underwear, socks, or other knit goods composed partly of wool, except either (1) when a knit fabric is made entirely of wool yarns of a kind specified, or (2) when the term describing the wool stock is joined with the name of other staple or staples contained in the knitted fabric (e. g., wool and cotton; worsted and cotton; wool-worsted-merino and cotton; worsted, cotton, and artificial silk).

Respondent is further ordered to file a report in writing with the Commission three months from notice hereof stating in detail the manner in which this order has been complied with and conformed to.