

Complaint.

IN THE MATTER OF
THE DON-O-LAC COMPANY, INCORPORATED.

COMPLAINT, FINDINGS AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 924—November 4, 1924.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of paints, varnishes, and substitutes for shellac varnish, sold a product which as first made contained none, and later only a very small proportion of genuine shellac gum, branded and labeled "American Shellac," in competition with concerns which sold their products labeled and branded in accordance with the spirit and purpose of a resolution adopted by the National Varnish Manufacturer's Association and other trade organizations, and designed to prevent the debasement of the term "Shellac" and to protect the purchasing public through providing for the use on labels and in advertising of products not composed exclusively of shellac gum dissolved in alcohol, of the word "compound" together with the word "shellac," where the latter content equaled or exceeded one-half of the total solid content, and for the use of the word "substitute" or "imitation" together with the word "shellac" in other cases; with the effect of misleading and deceiving a substantial part of the purchasing public into believing such products to be composed solely of genuine shellac gum dissolved in alcohol, and of inducing the purchase thereof in such belief:

Held, That the sale of such product, labeled as above set forth, constituted an unfair method of competition.

Mr. William A. Sweet for the Commission.

COMPLAINT.

Acting in the public interest pursuant to 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," the Federal Trade Commission charges that The Don-O-Lac Company, Inc., hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce in violation of the provisions of Section 5 of said Act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent is a corporation organized under and by virtue of the laws of the State of New York, with its principal office and place of business in the city of Rochester, in said State. It is, and at all times hereinafter mentioned has been, engaged in the business of manufacturing, selling and distributing paints,

Order.

8 F. T. C.

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,"

It is now ordered, That the respondents, W. H. May and B. V. May, doing business under the name and style of May Hosiery Mills, and their officers, agents, representatives, servants and employes, cease and desist from directly or indirectly using as labels or brands on hosiery sold by them, or on the containers thereof, or in advertisements thereof, the work "silk" or any modification thereof, unless, (1) the hosiery on which it is used is made entirely of the silk of the silkworm: or (2) where the hosiery is made partly of silk it is accompanied by a word or words aptly and truthfully describing the other material or materials of which such hosiery is in part composed.

It is further ordered, That respondents shall, within thirty days after the service upon them of a copy of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist hereinbefore set forth.

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