

Complaint

IN THE MATTER OF
ARTLOOM CORPORATION TRADING AS ARTLOOM
RUG MILLS

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1675. Complaint, June 29, 1929—Decision, Feb. 9, 1931

Where a corporation engaged in the manufacture and sale of rugs and carpets, labeled, advertised, and sold as "Wiltons" certain less costly, lower priced rugs, notwithstanding the fact that said rugs were not so made that the warp pile yarns were continued in, or carried into the subsurface of the fabric when not required at the surface for the design or pattern, if any, and were not Wiltons as ever generally considered by the trade; with effect of deceiving retailers and ultimate purchasers throughout the various States into the erroneous belief that in purchasing the rug fabric in question they were purchasing one of that kind, quality, and construction properly known and designated as a genuine Wilton rug fabric and of diverting trade from competitors to it and with capacity and tendency so to do:

Held, That such practices, under the circumstances set forth, were to the prejudice of the public and competitors and constituted unfair methods of competition.

Mr. PGad B. Morehouse for the Commission.
Fraley & Paul, of Philadelphia, Pa., for respondent.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondent, a Pennsylvania corporation engaged in the manufacture and sale of tapestries, pile fabrics and rugs, and with principal place of business in Philadelphia, with misrepresenting product, advertising falsely or misleadingly and misbranding or mislabeling in violation of the provisions of section 5 of such act, prohibiting the use of unfair methods of competition in interstate commerce.

Respondent, as charged, engaged as above set forth, designates, represents, describes, advertises, labels, and brands as Wilton rugs certain of its rugs, not manufactured "in accordance with that definite and specific process" for making rugs known and properly described as Wilton rugs and not having the definite and specific characteristics of rugs so manufactured, with the effect of misleading and deceiving many persons into purchasing the rugs in question as and for those made in accordance with such process, and with the characteristics, and qualities of the rugs long known and described as Wilton rugs, and with the capacity and tendency so to mislead and deceive; all to

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the injury and prejudice of the public and respondent's competitors, and in violation of the aforesaid section.

Upon the foregoing complaint, the Commission made the following

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of an act of Congress approved September 26, 1914 (38 Stat. 717), the Federal Trade Commission issued and served a complaint upon the respondent, Artloom Corporation, trading as Artloom Rug Mills, charging it with the use of unfair methods of competition in interstate commerce, in violation of the provisions of said act.

Respondent, having entered its appearance and filed its answer to the complaint herein, hearings were had and evidence was introduced upon behalf of the Commission and respondent before a trial examiner of the Commission duly appointed thereto.

Thereupon this proceeding came on for final hearing on the briefs and oral argument of counsel for the Commission and counsel for the respondent, and the Commission having duly considered the record and being fully advised in the premises makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondent, Artloom Corporation, is a corporation organized under and by virtue of the laws of the State of Pennsylvania, having its principal office and place of business in the city of Philadelphia, in said State. In the course of its business, the respondent in addition to its corporate name, uses the trade names of "Artloom Rug Mills" and "Philadelphia Tapestry Mills." During all of the time since the organization of respondent it has been and is now engaged in the business of manufacturing, among other products, rugs and carpets for floor coverings and selling same to purchasers located in States other than the State of Pennsylvania and causing the said products to be transported from the city of Philadelphia into and through many of the States of the United States to the purchasers thereof. There are in the United States seventeen or eighteen manufacturers of Wilton fabrics, exclusive of the respondent, operating approximately 2,400 looms. These manufacturers compete with each other and with the respondent, and all are engaged in interstate commerce.

PAR. 2. During all of the time since its organization, respondent has manufactured and sold in interstate commerce as aforesaid among other rugs a certain type of rugs in size usually 9 by 12 feet, which will be more particularly described hereafter and which rug the respondent has labeled "Bagdad", and which it now and for several years last past has called and labeled "Bagdad Seamless Jacquard

Wilton". In certain of its advertisements in trade journals and through periodicals circulated in the trade and generally throughout the United States, the respondent has referred to and called said rug a Wilton. Large department stores in Philadelphia, New York, Detroit, and elsewhere are purchasing from respondent and reselling to the public the "Bagdad" type of respondent's rug fabric as and for a genuine Wilton and have done so during the past five or six years.

Many definitions of the word "Wilton" as applied to carpets and rugs were put in evidence, as well as a large number of technical authorities¹ on the point, extending over a period of the last hundred years. All these have been duly considered by the Commission, together with the sworn testimony of several witnesses, some expert in the art and others having knowledge of the present and past trade practices in regard to such fabrics. With the exception of a definition formulated for respondent by Mr. A. S. Browne, a professional expert witness, and the expert testimony of Samuel J. Johnston, a salaried employee of respondent, these definitions, descriptions of, and testimony concerning all Wilton fabrics which display a design on the surface, call for a loom with a jacquard attachment substantially as illustrated in Commission's Exhibits Nos. 23, 26 and 36,² and in substance describe the process to be as follows: Each yarn, which in the process of weaving becomes an element in producing the design, is dyed in the skein, one color throughout its entire length.

¹ See list of appended authorities as follows:

TECHNICAL WORKS
FROM WHICH EVIDENCE WAS ADDUCED BY
CONSENT OF COUNSEL

- "*Textile Fabrics.*" By Geo. H. Johnson (1927)—pp. 178-9; 183-4.
Farmers Bulletin No. 1919, a publication of the U. S. Dept. of Agriculture (1921) on "Floors and Floor Coverings."
Encyclopedia Britannica (11th Ed.) Vol. XV, article on "Jacquard, Joseph Marie." Also (14th Ed.) Vol.,—article "Carpet Manufacture."
Jacquard Machine Analyzed and Explained." E. A. Posselt, pp. 108, 111-112.
Common Commodities in Industries." R. S. Brington (1919).
New International Encyclopedia Vol. IV (2d Ed.) (1918) article on "Carpets and Rugs."
"Century of Carpet and Rug Making In America," Bigelow Hartford Co. (1925) pp. 72, et seq., also 91 and 95.
"Carpet and Rug News."
International Library of Technology, Vol. 81, Sec. 82.
"Carpets and Rugs" (1923), Otis Allen Kenyon of the Hoover Company—Plate illustrations.
"European and American Carpets and Rugs" (1929). Cornelia Bateman Faraday.
"The Art of Weaving" (1844). Clinton G. Gilroy.
"Carpet Manufacture." Fred Bradbury (1904) pp. 201-2; 127-28.
"Carpet and Rugs." Robert S. Beaumont (1924) pp. 353-4.
British Abridgment of Patents (1881) 1620-1886 A. D., pp. 307; 318-320.
"Textile Texts" (1917). Draper Co.
"Knight's Cyclopediz of the Industry of All Nations" (1851) pp. 535-539 article on "Carpets"; also p. 538.
"Cyclopedia of Useful Arts" (1852). Charles Tomlinson.
"Knight's American Mechanical Dictionary," Vol. III (1882) pp. 2490; 2589; 2776. Article entitled "Tapestry Carpet."
A Dictionary of Arts, Manufactures and Mines (1854). Andrew Ure, Vol. I, p. 381.
"The Mechanism of Weaving" (1894). T. W. Fox.

² Various exhibits and figures referred to in the "findings" not published.

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After the dyeing process is completed each warp yarn is wound on separate spools placed in frames, in number from two to six, depending on the number of colors in the design, and is drawn from the spools to the loom. In such process the fabric must be woven from spools because the requirements of the design call for varying quantities of yarn of different colors. The jacquard is a pattern-selecting mechanism which controls a harness over and above the loom by means of cards perforated in accordance with the requirements of the design. Passing through the perforations are long wires or needles which, as the rug is being woven, select from each frame the appropriate colored strands of warp yarn and lift them in raised loops to the surface of the fabric, thus forming the pattern. At the same time the yarns from the remaining frames are being carried into the fabric in a "buried" or "dormant" position. These latter yarns run through the body of the fabric underneath the pile, until the jacquard allows the lifted yarns to drop to the "dormant" position, at the same time lifting a frame of "buried" yarns to be woven into the surface design. This results in a weave such as is shown in figure 1, which is a cross-section of a five-frame Wilton. The warp threads not selected by the jacquard will always be found running continuously through the center of the fabric. The raised loops are cut at the surface of the rug for a Wilton—uncut for a Brussel.

There is found to be another Wilton weave for fabrics which do not display a design on the surface. In this, typified by Commission's Exhibit No. 38 (plain Wilton-Green), the warp or pile yarns come from two or more frames of spools, the jacquard being used or not, at the option of the manufacturer, the yarns on all of the frames being of a uniform color throughout, only one frame of yarn appearing on the surface of the fabric and the yarns from the remaining frames being carried into the body of the fabric and buried.

A Wilton rug which displays a design is in appearance a rug with a close-cut, velvety pile. The colors in the pattern are sharply defined and there is no "bleeding" or blending of one color into another, due to the fact that each separate strand of warp yarn is dyed in the skein one solid color throughout its entire length. A Brussels rug is made substantially by the same method as a Wilton. The Brussels fabric originated in Brussels, Belgium, and about the year 1740 French weavers were brought from France to England by the Earl of Pembroke and introduced into the town of Wilton the making of loop pile or Brussels carpeting, which was followed in the course of development by the cut pile fabric to which the town gave its name. The foregoing descriptions of weave and process are consistent with the history of the Brussels and Wilton fabrics. The chief difference between a Wilton and a Brussels rug is that in the Wilton the pile is cut, either by the

withdrawal from the woven loops of a flat wire with a knife-like end, or with a circular band or reciprocating knife, depending on whether the fabric is woven on a narrow 27-inch or on a broad 9-foot loom. There is slightly more worsted yarn than is needed for Brussels, because the cut ends require more binding into the fabric. Three shots of weft are usual in the binding of a Wilton, whereas in Brussels, the loops being uncut, two shots of weft are sufficient. Also, Wilton is generally woven a little closer than Brussels in the up and down way of the carpet. The number of colors in a Wilton pattern is limited to six, and five is a very good grade. Because only one frame of worsted warp threads appears at one time on the surface and the other frames of worsted warp threads are bound into the body where they do not show from the surface, a Wilton is an expensive fabric as to quality of worsted yarn consumed and the added amount of worsted gives resistance to wear as well as resiliency.

The Commission finds that while there was no attempt on the part of the industry, prior to 1925, to specifically define the word "Wilton" as applied to floor coverings, all the writers on the subject of carpets and rugs, both ancient and modern, are in substantial agreement that the process of weaving the figured or patterned Wilton is as hereinbefore described with the exception of one variation in the history of the industry, presented in connection with the Whytock patent, hereinafter referred to. The foregoing principles involved in the definition of a Wilton rug have been known to buyers in the trade for at least 50 years, and the term "Wilton" has come to signify a particular distinction as to quality in the minds of the general public.

PAR. 3. The type of respondent's rug represented by its "Bagdad Seamless Jacquard Wilton" is not made in accordance with the processes above described and the resulting product does not answer the same description. (See fig. 2, which is the cross section of the Bagdad type of weave.) This rug is a multi-colored cut-pile fabric displaying a design on the surface, as evidenced by respondent's Exhibit No. 10 and Commission's Exhibits Nos. 2 and 20. Respondent's Exhibits Nos. 8 and 9 represent the same weave in a plain, one-color nonpatterned "Bagdad." These plain "Bagdad" fabrics are not put out by the respondent to-day, nor made by it except upon special orders, and there have been no such special orders for a long time.

Power looms for the manufacture of different cut-pile floor coverings came into commercial use in the United States about 1850, and up to six or seven years ago all carpets and rugs were woven on looms 27 inches wide, which necessitated sewing together the 27-inch strips, in order to make a rug. Within the past six or seven years there has been, and still is, a demand for seamless rugs, and that demand has compelled many of the manufacturers to put in broad looms on which

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rugs 9 by 12 feet can be woven. The respondent was the first manufacturer of carpets and rugs in the United States to make use of the broad loom. There is no patent on the broad loom, but respondent's method of dyeing the yarn used in making the "Bagdad" is protected by a patent issued to J. Zimmerman, one of respondent's officers, on August 22, 1916.

In the "Bagdad" process the warp yarns proceed from a creel or frame holding not less than 800 spools of individual pile yarn. This yarn is not colored. The spools are arranged in horizontal tiers, one above the other, for a 9-foot-wide loom. This arrangement does not differ materially from that used in connection with the Wilton loom, except that in the former the spools are in five tiers instead of two or more frames of from 200 to 250 spools each. The warp yarns from the spools in each tier are all brought into parallel relation at a set of rollers, and then proceed through and under the jacquard harness which is a part of the patented Zimmerman printing machine. The jacquard on this printing machine operates precisely as the jacquard over the Wilton loom, having cut or stenciled cards which raise the selected yarns according to a predetermined pattern, so as to bring them in contact with the dye in successive dye vats, thus putting different measured lengths of color on each of the 800 yarns. After the yarns are dyed they pass to a steam box, thence to a wash pan, and thence over drying coils to a beam, which is a large spool equal in length to the loom. From that beam the yarns feed into the loom and are woven into a rug, all of the warp yarns being on the surface of the pile and the desired pattern appearing because of the different measured lengths of color on each of the yarns.

The loom is a "double shuttle", "face to face" loom, 9 feet wide, and weaves two rugs, 9 by 12 feet, simultaneously. The two rugs so woven must be separated, either during the process of weaving or after the process is finished. For this purpose the respondent uses knives, one of which is a reciprocating knife attached to a part of the loom, traveling across the loom back and forth as the rug comes off, thus at the same time severing the warp threads, separating the rugs, and producing a velvet pile similar in appearance and feel to the Wilton fabric. Another method used by respondent to separate the rugs and cut the pile is a band knife, which is not attached to the loom and is not a part thereof. Because of the "face to face" weaving on broad, double-shuttle looms, the respondent can produce twice the amount of fabric that can be produced in a given time by a single-shuttle loom operating for the same period of time. An additional saving is made by the elimination of the "dormant threads"—that is, there are no warp yarns buried in the pile of the fabric when not brought to the surface at the loom by the jacquard for the purpose of producing the

design or figure. Another advantage which the respondent's method of manufacture has over that of fabrics produced on the narrow 27-inch loom is that its products require no stretching or sewing. With these advantages and certain other economies in handling the fabrics and the materials of which they are composed, respondent can and does use a high-grade material in the construction of the "Bagdad" and produces a colored patterned rug at less cost than that at which a Wilton fabric displaying a colored surface design can be produced.

The Commission finds the main difference between respondent's patterned "Bagdad" type of rug and the genuine patterned Wilton rug to be that in the case of the Wilton, each worsted warp yarn dyed in the skein one color throughout its length is manipulated by the jacquard device in such way as to "build" the design with yarns in the pile of the rug, and at such places as each yarn has not been lifted to the surface to be a part of the pattern, that yarn will be found running along underneath the pile in a buried or "dormant" position until again needed at the surface of the design. As a result, in buying a Wilton rug, the same quality of worsted yarn which one sees and feels on the surface extends three, four, or five fold through the body of the rug, and there can be no question as to its being the same quality, for the reason that it is a continuation of the same strand of yarn. Whereas, in the "Bagdad" type of patterned rug the worsted warp yarns are not dyed in the skein one color throughout their length, but by an ingenious combination of the jacquard with the Zimmerman printing machine, the predetermined pattern is "built" upon the warp yarns by dyeing them different colors throughout their length prior to the actual weaving, and after weaving, such warp yarns will all be found at the same level on the surface of the pile. An entirely different construction, as will readily be seen by a comparison of figures 1 and 2. In the "Bagdad" type of weave, the resiliency and body of the rug is obtained by three stuffers of jute, or jute and cotton, instead of by a continuation of the worsted warp pile yarns beneath the surface. One result of the pattern being sectionally forecast on the pile yarns is to give the pattern, in some instances, a slight appearance of one color running over into an adjacent color, as is apparent in Commission's Exhibit No. 2. The pattern is not so clear cut as in Commission's Exhibit No. 22, a sample of the genuine patterned Wilton weave. The main differences, however, between respondent's "Bagdad" rug and a genuine Wilton are not apparent to the eye except upon dissection by cutting and unraveling.

Six out of eight qualified experts, after examination by dissection of respondent's "Bagdad" type of rug weave, specifically testified that it was not a Wilton. The other two, Mr. A. S. Browne and Mr. Samuel R. Johnston, experts called on behalf of respondent, testified to the general effect that it was a Wilton.

Upon consideration of all the testimony, technical authorities, descriptions, definitions, and diagrams collected and adduced in evidence by counsel for both sides, the Commission finds that the "Bagdad Seamless Jacquard Wilton" type of fabric, displaying on its surface a design or pattern of two or more colors, is not a Wilton rug and has never been generally so considered by the rug trade. It has the appearance of the Wilton rugs manufactured by respondent's competitors; costs less to manufacture, sells at a lesser price than genuine Wiltons with the exception of one or two of such Wiltons of inferior quality, and is being sold throughout the United States as and for a Wilton.

PAR. 4. It was conceded, and the evidence shows, that during the past twenty-five or thirty years plain, one-colored rugs, without a design or pattern, of a weave construction similar to that of respondent's patterned "Bagdad" rug of two or more colors displaying a design, have been put out by carpet manufacturers in the trade, labeled "Wilton," generally using that word in conjunction with some other word, and that such fabrics were sold by dealers to the public as "Wiltons." Such rugs are in evidence as respondent's Exhibits Nos. 4, 7, 32, 34, 35, and 36, and are of a one-frame construction with the warp pile yarns all on the surface. (See fig. 3.)

The Commission finds, from a careful consideration of all the evidence, oral and documentary, that fabrics of such a type of weave are not genuine Wilton fabrics; that such fabrics are known to the trade as "plain velvet" and were formerly called "Wilton velvet" or "plain Wilton"; that there has been a change in the trade practice during the past 10 years. A great many concerns are not handling any plain goods of this description at all. Others are handling them simply under a trade name without describing them either as Wiltons or velvets; and others are selling them as velvets when they are of the weave depicted by the said diagram. One firm, which is the third largest department store in the United States and which has sold from 3,000 to 5,000 patterned "Bagdad" rugs in the last three to five years, has not handled any "plain Wilton" rugs for 20 years.

The Commission also finds that the "Bagdad Seamless Jacquard Wilton" rug is a patterned figured rug of two or more colors; not comparable with a plain one-color rug except in so far as the diagrammatic representation of the respondent's weave is concerned.

PAR. 5. The Commission finds that during the past 20 years there has been a practice in the trade of dip-dyeing two colors on one skein of yarn similarly to that shown on respondent's Exhibit No. 17. This carpeting, when woven, presents a streaked appearance and can be termed a two-colored rug, but it is not a patterned or figured one. It has been known in the trade as "Jasper Wilton." An example was

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received in evidence as respondent's Exhibit No. 5. All of the pile tufts are on the surface and it contains no "dormant" threads. It has also been known in the trade as "Morosque." It is woven from one frame of spools of worsted yarn on a Wilton loom, and a very large and reputable rug manufacturer put it out in the trade that way for several years in patterned rugs, as background or ground for the pattern. Such firms discontinued calling such a fabric a Wilton six or seven years ago. A similarly appearing rug is sometimes made by the folding together of three colors on three separate skeins, in which case each ply of the yarn is the same color throughout its length. The Commission has given to this exhibit and to the testimony relating thereto full consideration, in finding that the "Bagdad Seamless Jacquard Wilton" rug of respondent, displaying a design upon its surface, is not a genuine Wilton rug.

PAR. 6. About 1832, one Richard Whytock was granted an English patent covering a method of making pile carpets from multicolored printed yarns. As elsewhere noted, in order to produce a colored design upon the Brussels and Wilton fabrics a thread of each color must cross the entire fabric and at such points as it is required brought to the surface by the jacquard for producing the figure or pattern, and because such threads are taken up at varying rates of spool speed they can not be wound on a beam but each must be wound on separate spools. Whytock's patent provided for the coloring of the yarns with sections of different colors applied at different portions of the length of the yarn in a regulated succession of colors, so that when woven into the cloth or fabric by a loom used for weaving plain fabrics without the use of a jacquard, predetermined figures or designs are produced by reason of such multicolored yarns. Whytock produced by this method fabrics which he called Brussels and Wilton carpets. Modern authorities classify fabrics produced by Whytock and similar methods as "tapestry" when the pile is uncut and "velvet" when the pile is cut. A. M. Henshall introduced certain variations of Whytock's method. These inventors classified fabrics produced by their respective processes as Wiltons if the pile was cut. One technical authority, introduced by respondent, the "Art of Weaving," by Clinton G. Gilroy, published in 1850, has this Whytock process indexed only under the titles "Velvet Pile Carpet, Whytock's" and "Whytock's Velvet Pile Carpet." Modern authorities and men of practical experience in the industry, excluding respondent's officers, employees, and Mr. A. S. Browne, agree that floor coverings produced by the Whytock method, are classed as "tapestry" or "tapestry velvet" depending on whether the pile is cut or uncut. Mr. Browne testified that if he were purchasing a "Whytock" or a "Henshall Wilton" he would ask for a tapestry velvet. The weave construction of a tapestry velvet is shown in figure 3.

PAR. 7. In the carpet industry two sizes or kinds of looms are in use: (1) A 27-inch loom, which has been the standard loom for the production of carpets and rugs since the introduction of power looms; (2) the broad loom, usually 9 feet in width, of which the respondent now uses 88 in the production of rugs.

From 1904 to 1906 respondent by experimentation and by the expenditure of substantial sums of money developed a method of face to face weaving on a broad loom, which proved a commercial success, and while the broad loom and face to face weaving were known in the carpet industry prior to 1904, it was not until about 1928 that other carpet and rug manufacturers commenced the installation of broad looms. During 1928 and 1929 respondent's competitors installed approximately 115 broad looms in mills which had theretofore been using 1,300 to 1,400 27-inch looms. Some of respondent's competitors installed broad looms equipped for face to face weaving.

The respondent has been manufacturing seamless rugs on broad looms by the face to face method since about 1906 and it started to manufacture the fabric which it now calls "Bagdad Seamless Jacquard Wilton" about the year 1914. Sometime later and about 1925 and 1926, at the request of some of respondent's customers, who claimed that the Bagdad rug would sell better if it had the word "Wilton" on it, the respondent adopted the name and brand for the rug which it now uses.

There was no criticism or complaint made by any of respondent's competitors with respect to its advertising or with respect to the brand name of the Bagdad rug until about 1926 or 1927, when the secretary of the Brussels and Wilton Association took the matter up with the National Better Business Bureau.

PAR. 8. The use by respondent of the word "Wilton" in its advertisements, labels, and brands as applied to the type of rug weave shown by figure 2 herein, and as represented by the "Bagdad Seamless Jacquard Wilton" rug fabric has a capacity and tendency to deceive and does deceive retailers and ultimate purchasers throughout the various States of the United States into the belief that in purchasing such a rug fabric they are purchasing a rug fabric of the kind, quality, and construction properly known and designated as a genuine Wilton rug fabric when such is not the fact, and thereby trade is diverted from competitors to the respondent.

CONCLUSION

The practices of the said respondent under the conditions and circumstances described in the foregoing findings are to the prejudice of the public and respondent's competitors, and are unfair methods

of competition in interstate commerce, and constitute a violation 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

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent and the testimony taken and briefs filed herein, and oral argument of counsel for both the Commission and the respondent, and the Commission having made its findings as to the facts and conclusion that the respondent has violated 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 respondent Artloom Corporation, a corporation doing business under the name and style of Artloom Rug Mills, its agents, representatives, servants, and employees, in connection with the sale and distribution in interstate commerce of rug and carpet fabrics, do cease and desist from directly or indirectly—

1. Using the word "Wilton" in describing, designating or labeling any rug fabric on the surface of which is displayed a design or pattern in two or more colors, which is of the same weave construction as the "Bagdad Seamless Jacquard Wilton" rug fabric now manufactured by respondent, or which is of a weave construction in which the warp pile yarns, when not required at the surface for the said design or pattern, are not continued in the subsurface structure of the fabric.

2. Using the word "Wilton" in describing, designating, or labeling any plain unpatterned one-colored rug fabric of such a weave construction that the warp or pile yarns are not carried into the subsurface structure of the fabric in addition to the usual stuffer warps.

And it is further ordered, That respondent is, within 60 days after service upon it of a copy of this order, to file with the Commission a report in writing, setting forth in detail the manner and form of its compliance with this order.

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IN THE MATTER OF

FRANK W. BLACK, WALTER HOWTON, AND MAX LEONHART, INDIVIDUALLY AND AS PARTNERS DOING BUSINESS UNDER THE FIRM NAMES OF FRANK W. BLACK & CO. AND GRIFFITTS ENGRAVING CO.

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1697. Complaint, Oct. 1, 1929—Decision, Feb. 10, 1931

Where a firm engaged in production and sale of visiting and business cards, Christmas cards, invitations, and similar products under its so-called Nu-Process method, involving application to type printing of powdered chemical and heat, and resulting in a raised letter effect very closely simulating engraving,

- (a) Employed the word "engraving" in their firm name, with capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that they were engravers instead of printers, and thereby divert trade to them from their competitors; and
- (b) Described themselves upon their letterheads and in advertising literature as "Commercial printers and copper-plate engravers" and as "Designers, printers, and engravers" and represented cards, etc., sold by them as engraved, with capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the letters, words, etc., appearing thereon were produced through application under pressure of specially engraved, incised, cut, or carved metal plates and were genuinely engraved as understood by the trade and purchasing public and thereby to divert trade to them from their competitors:

Held, That such practices, under the conditions and circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair methods of competition.

Mr. Alfred M. Craven for the Commission.

SYNOPSIS OF COMPLAINT

Reciting its action in the public interest, pursuant to the provisions of the Federal Trade Commission Act, the Commission charged respondents Frank W. Black, Walter Howton, and Max Leonhart engaged in Chicago in production of printed matter including visiting and business cards, wedding invitations, announcements, commercial announcements and invitations, Christmas cards, greeting cards and other stationery, under the trade name and style of Frank W. Black & Co. and Griffiths Engraving Co., and in the sale and transportation of the aforesaid products through the mails to customers in several of the States, with using misleading trade name and advertising falsely or misleadingly in violation of the provisions of