

Complaint

IN THE MATTER OF
THE WEISS & KLAU COMPANYCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2060. Complaint, July 11, 1932—Order, Dec. 6, 1932*

Consent order requiring respondent, its agents, etc., to cease and desist, in connection with sale and distribution of window shades in interstate commerce, from representing, designating, describing or labeling, as "Mill Run", window shades not in fact made from cloth which is the entire run of the mill, or which are known to the trade or purchasing public as seconds", or from using any other words aforesaid so as to import that such shades are made from cloth which is the entire and true run of the mill.

Mr. Richard P. Whiteley for the Commission.

Mr. Daniel R. Forbes, of Washington, D.C., for respondent.

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 Weiss & Klau Co., a corporation, hereinafter referred to as respondent, has been and now is using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of the said act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, The Weiss & Klau Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York, with its principal place of business located in the City of New York in said State. Respondent is now and, for more than one year last past, has been engaged in the sale and distribution of window shades in commerce between and among the various States of the United States, and has caused said products when sold, to be shipped from its place of business in the City and State of New York to purchasers thereof located in a State or States of the United States other than the State of New York. In the course and conduct of its business, the respondent, The Weiss & Klau Co., was at all times herein referred to in competition with other corporations, partnerships, firms, and individuals likewise engaged in the sale and distribution in interstate commerce of window shades.

PAR. 2. In the course and conduct of its business, as described in paragraph 1 hereof, The Weiss & Klau Co., in soliciting the sale of and selling and distributing window shades in interstate commerce between and among various States of the United States, for more than one year last past has represented, designated, described, and

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referred to the said window shades as "Mill Run", and has attached or caused to be attached or affixed to said window shades so sold and distributed by it in interstate commerce, labels, designating the said window shades as "Mill Run", so as to import or imply that the said shades are made either wholly or substantially from first quality cloth, or from the run of the mill, when in truth and in fact respondent's window shades, so advertised, labeled, sold and distributed by it in interstate commerce, were made in whole or substantially from defective or partially defective cloth, known to the trade and purchasing public as "seconds".

PAR. 3. The above and foregoing representations, statements, and labels of respondent, by means of which it has offered for sale and sold, or is selling its products as set forth in this complaint, have had the capacity and tendency to mislead and deceive and/or have misled and deceived the purchasing public into the belief that the said representations, statements, and labels are true, and have tended to induce and have induced the purchase of respondent's window shades in reliance upon such belief, and have tended to divert trade from, and have diverted trade from, and otherwise injured, competitors of respondent.

PAR. 4. The above acts and things done by respondent as aforesaid, are all to the prejudice of the public and of respondent's competitors and constitute unfair methods of competition in interstate commerce, within the intent and meaning of section 5 of an act of Congress entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914.

ORDER TO CEASE AND DESIST

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 on the 11th day of July, 1932, issued its complaint against The Weiss & Klau Co., a corporation, respondent herein, and caused the same to be served upon said respondent as required by law in which complaint it is charged that respondent has been and is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of said act.

On the 21st day of November, 1932, respondent entered its appearance in this proceeding and filed its answer to said complaint, admitting that it is and has been engaged in the sale and distribution of window shades in interstate commerce as alleged in said complaint, and that for more than a year prior to the issuance of said complaint it has represented, designated, described, and labeled its aforesaid

window shades so sold and distributed by it in interstate commerce as "Mill Run", when in fact said window shades were not the entire run of the mill but were that part of the run of the mill which remained after the first quality shade cloth and the seriously defective shade cloth had been separated and removed, and when in fact said shades sold by respondent under the designation or label "Mill Run" were "seconds" as known to the trade and purchasing public. Respondent further answering states that it has already discontinued the use of the designation "Mill Run" on its labels and in all other advertising matter and in its description of its said shades and consents that the Commission may make, enter and serve upon it an order to cease and desist from the violations of law alleged in the complaint and more specifically enumerated in the following order:

The said answer of respondent was duly accepted and filed by the Commission and thereupon this proceeding came on before the Federal Trade Commission upon the complaint of the Commission and the answer of the respondent, and the Commission being now fully advised in the premises,

It is now ordered, That the respondent, The Weiss & Klau Co., a corporation, and its agents, representatives, servants, and employees and successors in business in connection with or in the course of the sale and distribution of window shades in interstate commerce, do cease and desist:

1. From representing, designating, describing, or labeling as "Mill Run" the window shades sold or distributed by it which are not in fact made from cloth which is the entire and true run of the mill.

2. From representing, designating, describing, or labeling as "Mill Run" window shades which are known to the trade or the purchasing public as "seconds".

3. From representing, designating, describing, or labeling window shades with the words "Mill Run" or with any other word or words which import or imply that said window shades are made from cloth which is the entire and true run of the mill when said window shades are in fact what are known to the trade and purchasing public as "seconds" or when said window shades are not in fact the entire and true run of the mill.

It is further ordered, That said respondent, The Weiss & Klau Co., shall within 60 days after service upon it of a copy of the order file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist hereinbefore set forth.

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IN THE MATTER OF
NORTHERN FRUIT & PRODUCE COMPANY AND
TED E. WOLFE

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

Docket 2065. Complaint, Oct. 3, 1932—Order, Dec. 6, 1932

Consent order requiring respondents and their agents, etc., to cease and desist, in connection with sale or offer of seed potatoes in interstate commerce, from representing that inspection or certification by respondent individual is certification or inspection by the "Mid-West" or an other "agricultural institution", or that potatoes in question have been inspected and certified by anyone or in any manner other than is actually the case.

Mr. PGad B. Morehouse 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 Northern Fruit and Produce Co., a corporation, hereinafter referred to as a company, and Ted E. Wolfe, an individual, and each of them under the name and style of "Mid-West Agricultural Institute", have been and are using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of said act, and states its charges in that respect as follows:

PARAGRAPH 1. The respondent Northern Fruit & Produce Co. is a corporation organized, existing, and doing business in the State of Illinois, having its office and principal place of business in the city of Chicago, State of Illinois. The respondent Ted E. Wolfe is and has been an employee of the respondent company as an inspector of seed potatoes under arrangements and circumstances hereinafter more fully set out. Both respondents in the course and conduct of the respondent company's business have used the name and style "Mid-West Agricultural Institute".

For approximately two years last past the respondent company has been engaged in the business of buying and selling seed potatoes and also operating as a commission merchant dealing in said produce, purchasing seed potatoes in carload lots from the sellers located in various States other than the State of Illinois and shipped by these sellers from such other States to the company at Chicago, Ill. In the course and conduct of its business, while the said carloads of