

Syllabus

IN THE MATTER OF
CARLTON MILLS, INCORPORATED

COMPLAINT (SYNOPSIS), FINDINGS, AND ORDER IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 28, 1914

Docket 2085. Complaint, Jan. 17, 1933—Decision, Apr. 16, 1934

Where a corporation engaged in the sale and distribution, direct to user, C. O. D., through house to house canvassers, of (1) shirts, which it caused to be made for it, as specified, on a contract basis at a specified per dozen contract price, from cloth purchased by it in finished form, chiefly, cut into patterns in its own workrooms, and supplied, together with buttons and other fittings, to the manufacturer, who furnished the thread and carried on operations independently from such point with personnel engaged by him, (2) ties, similarly made and procured, (3) hosiery purchased in the finished form from the manufacturer, with no control over the making thereof, and, (4) underwear and outside jackets, some of which it similarly purchased,

- (a) Represented in specialty and general periodical advertising directed to securing such canvassers, that purchaser of three shirts, or other articles, would be given, free of charge, an additional garment, through such phrases as "One shirt free with every three", "One tie free with every three", "One suit of underwear free with every three", etc., facts being that cost of the alleged free article, together with profit on all those sold, was included in the price charged; with capacity and tendency to mislead and deceive the consuming public and with effect of so doing in the case of a substantial number thereof.
- (b) Used such words, phrases, and legends in sample books, and periodical and circular advertising, as "Mills", "Manufacturers", "Direct from mill to wearer", "Assumes full command over its supreme custom quality away back at the looms, * * * our gigantic resources and facilities control each stage in the designing and manufacture", "Nationally known men's wear manufacturers", "* * * 100 percent manufacturer, operating only one overhead and doing a nation-wide business", "* * * the bigger the organization the more economically it can merchandise * * *", and "When the organization happens to be the actual manufacturer * * *, this logic becomes even more significant", and thereby falsely represented that it was the manufacturer, weaver, or knitter of the products dealt in by it, and that it therefore sold at a better price direct to the consumer than did competitors, who reached him through retail channels; with capacity and tendency to mislead and deceive purchasers and prospective purchasers into buying its said products in the belief that it owned or operated mills and manufacturing establishments, and made the merchandise sold by it, and with the effect of so doing and of adversely affecting sales of dealers in men's furnishings, who make such merchandise and sell the same direct to the user or wearer, and sales of dealers therein who do not falsely represent themselves as the manufacturers thereof.
- (c) Described certain hosiery dealt in by it as "pure thread silk reinforced with art silk", and as "pure thread silk reinforced with lustrous synthetic

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yarn", and in its sample books advertised certain coats as "Articoat—king of all sheep-lined moleskins", "Alaskan Lethercoat", and "Storm King Lethercoat", facts being said articles were neither pure thread silk, moleskin or leather; with effect of misleading and deceiving customers and prospective customers in respect of their composition, and with capacity and tendency so to do;

- (d) Described certain shirt materials in canvassers' sample books as "Manhattan" broadcloth, or as "Columbia", "Ambassador", or "Breslin" broadcloth, as the case might be, notwithstanding fact that such words had long been used by certain shirt manufacturers in carrying on their respective businesses and/or sale of their product, so that said words had become well known in such connection as identifying the product of the said various manufacturers, and thereby tended to lead the consuming public to believe that its products were either made by the aforesaid manufacturers, or that the material therefor was furnished by them; with effect of injuring both the aforesaid and other manufacturers who sell and distribute their products under their respective trade marks, and manufacturers who do not so sell their products, or indulge in such practices, and to the actual and probable injury of those dealers who sell well known trade marked shirts, and those who sell shirts not so well known;

All with capacity and tendency to mislead and deceive purchasers and prospective purchasers of its said products, to the substantial injury of competitors, from whom trade was unfairly diverted:

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

Mr. Henry C. Lank for the Commission.

Mr. Meyer Kraushaar, of New York City, 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 New York corporation engaged in the sale and distribution in interstate commerce of men's shirts, neckties, hosiery, underwear, and coats and jackets direct to the consuming public through house to house canvassers or representatives, and with office and principal place of business in New York City, with advertising falsely or misleadingly as to free product, using misleading corporate name, appropriating trade name of competitive products, and misrepresenting business status and composition of product, 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, in advertising in magazines and other publications for representatives, states that it is giving "free merchandise", including shirts, ties, and other articles dealt in by it, and in sample kits furnished its representatives,

announces a plan whereby one or more articles are given "free" in connection with the purchase of a certain number of other articles,¹ the facts being that the articles thus referred to are not given free, but the cost thereof is included in the specified price to be paid by the consumer.

Respondent further, as charged, features the word "Mills" in its corporate name and in its sales kits and other advertising matter, and represents itself as a manufacturer selling direct, with exceptional values, etc.,² notwithstanding fact that it neither owns nor operates a mill or mills, in which it makes its said merchandise.

Respondent further, as charged, in its sample kits designates certain fabrics from which its shirts are made as "Manhattan Broadcloth", "Columbia Broadcloth", "Breslin Broadcloth", and "Am-

¹Advertisements in periodicals included, according to allegations of the complaint, the following:

"Big pay.—Give Free Merchandise and Get Cash Profits on First Call! Giving Away Shirts, Ties, Underwear, Hosiery! Money in your hand—Here's Your Opportunity!

"Accept this free golden invitation to represent Carlton Mills—nationally known Men's Wear manufacturers—a leader in the direct-to-wearer field. Schooling or training unnecessary. Doesn't cost you a penny. Cash in on our series of free merchandise offerings. Note the panels to the right and you'll understand why they are irresistible," etc.

Statements in the sample kits, above referred to, included, according to the allegations of the complaint, the following:

"1 Shirt Free with every 3—25% more value for your dollar."

"Special Free Offer—Gold plated valet Auto-Strop razor and strop given free with each order for 3 shirts for \$14.75."

"1 Tie Free with every 3—2 Ties Free with every 6."

"1 pr. of hose free with each order for 6 pr. 2 pr. of hose free with each order for 12 pr."

"3 Unionsuits for \$2.98. 1 Suit Free with 3."

"Flat knit style unionsuits. 1 free with each order for 3."

"Carlton supreme offerings in rayon (2 piece) underwear—1 shirt free with every 3 shirts, 1 pair of shorts free with every 3 shorts."

"Special Free Offer—1 undershirt free with each order for 3 undershirts."

"Special Free Offer—1 pair of shorts free with each order for 3 pair of shorts."

²Statements included in such representations, according to the allegations of the complaint, included the following:

"America's Greatest Shirt Values Direct from Maker to Wearer"

"America's Greatest Values—Buy direct and Save"

"Accept this Free Golden Invitation to Represent Carlton Mills—Nationally known Men's Wear Manufacturers—A Leader in the Direct-to-Wearer Field"

"Carlton Mills, Inc., Manufacturers of the Carlton Custom Quality Line"

"Custom Quality—Carlton Mills, Inc.—Shirt Manufacturers"

"Direct from Mill to Wearer—Through You at Big Savings"

"Remember Carlton is 100% the Manufacturers, Operating Only One Overhead and Doing a Nation-Wide Business"

"Doesn't it sound logical that the bigger the organization the more economically it can merchandise its products? When that organization also happens to be the actual manufacturer of the products and not a jobber, this logic becomes even more significant."

"The prices in your sample book reflect these economies in black and white. From these prices is deducted only one profit. Carlton's manufacturing profit . . .

"Carlton assumes full command over its supreme Custom Quality away back at the looms. From that important point, when the first slender thread is fashioned into fabric, our gigantic resources and facilities control each stage in the design and manufacture. Little wonder, therefore, that Carlton takes genuine pride in affixing its label of quality to the completed garments of its own making."

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bassador Broadcloth", with capacity and tendency to mislead and deceive its representatives and the purchasers of its shirts into believing that shirts made from the cloth thus designated, are the products, as the case may be, of the Manhattan Shirt Co., the Columbia Shirt Co. of New York, N. Y., The Breslin Shirt Co. of New York, N. Y., or the Hirsch-Friedman Co., of Chicago, Ill., the first three of which companies have long sold and distributed their products under the first three names, and last of which has long distributed its product under the name "Ambassador", so that said words have become known among consumers of shirts as designating, as the case may be, the respective products of the aforesaid companies.

Respondent further, as charged, in its sample kits, represents and describes certain men's hosiery made from silk and rayon as "pure thread silk reinforced with art silk", and certain of its men's and boy's coats as "Alaskan Lethercoat", "Storm King Lethercoat", and "Articoat—King of all sheep-lined moleskins", notwithstanding fact that hosiery in question is not made entirely of silk, nor the coats of leather or moleskin.

Respondent further, as charged, sells by sample falsely or misleadingly, in that, while including in its representatives' sample kits, swatches or samples illustrating design and pattern of its various shirt materials, as a means of soliciting and obtaining orders for its said products upon the basis of the purchaser's selection from such samples, it nevertheless and notwithstanding the implied representation that it will ship shirts in accordance with design, style, etc., selected and ordered, makes it its practice, in cases where the particular selection has been exhausted, to ship shirts of substituted designs, patterns, and styles of its own selection, without giving customer a reasonable opportunity to make a lieu selection, so that many customers, as a result of said practice, and the sending of the shirts C. O. D., keep and pay for such articles, when they would not have ordered the same had they been advised that the design, style, or pattern of their selection was exhausted.

Each of said various false and misleading representations, as alleged, has "the capacity and tendency to mislead and deceive the purchasing public and to induce them to purchase from respondent in and on account of their belief in the truth of said statements and representations", and "said advertisements and representations and each of them have the capacity, tendency, and effect of diverting a substantial amount of trade to respondent from its competitors to their injury," and "use by respondent," as charged, "of such false, misleading and deceptive representations, statements, and advertisements, constitute practices or methods of competition which tend to

and do prejudice and injure the public, unfairly divert trade from and otherwise prejudice and injure respondent's competitors, and operate as a restraint upon and a detriment to the freedom of fair and legitimate competition in the business of selling and distributing men's wear," and constitute unlawful uses and practices, and unlawful and unfair methods of competition in violation of Section 5.

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, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", the Federal Trade Commission issued and served a complaint upon the respondent, Carlton Mills, Inc., charging it with the use of unfair methods of competition in interstate commerce in violation of the provisions of said act. The respondent having entered its appearance and filed its answer, hearings were had and the evidence was duly recorded and filed in the office of the Commission.

Thereupon this proceeding came on for final hearing on the briefs and oral arguments for both the Commission and the respondent, and the Commission having duly considered the record and being fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondent, Carlton Mills, Inc., is a corporation organized and existing under the laws of the State of New York, having its principal place of business at 79 Fifth Avenue, in the City of New York in said State. Respondent was organized and incorporated in August, 1925, and since that date has been engaged in the sale and distribution of men's shirts, underwear, hosiery, neckties, and outside coats and jackets to purchasers located throughout the various States of the United States. In the course and conduct of its business the respondent is in competition with other corporations, individuals, and partnerships engaged in commerce between and among the various States of the United States.

PAR. 2. Respondent is engaged in selling men's shirts, underwear, hosiery, neckwear, and coats or jackets throughout the United States to users or wearers only. It employs representatives in many States who go from house to house soliciting and accepting orders. The agent collects a specified deposit on each sale at the time the order is

taken and retains said sum for his commission. The agent then forwards said order to the respondent who ships the goods, generally by mail, direct to the consumer. The merchandise is sent C. O. D. and the respondent thus collects the balance of the purchase price. In soliciting such business respondent, through its agents and directly through the mail, distributes samples, sample books and other printed matter illustrating the colors, designs, patterns, and material of the merchandise offered for sale. The respondent sends out approximately twenty-five thousand sample books annually to salesmen and prospective salesmen. From the persons to whom such sample books are sent the respondent obtains its active representatives. It has about five thousand such active representatives distributed throughout the United States. About four-fifths of the persons to whom respondent sends its sample books never become active representatives but send in probably only one order or none.

PAR. 3. The sample books contain small pieces of material which are represented to be identical with the material from which the merchandise is manufactured. Sample books representative of those used by respondent in the sale of its products appear in the record as Commission's Exhibits Nos. 5, 6, 7 and as respondent's Exhibit No. 4.¹

PAR. 4. In the course and conduct of its business as hereinabove described, respondent secures names and addresses of prospective salesmen by means of advertisements inserted in specialty magazines and in magazines of general circulation. Commission's Exhibits Nos. 13 and 14 are samples of advertisements which have appeared in the past. These advertisements were published in such magazines as "Specialty Salesman", "Capper's Weekly", "American Weekly", "Police Gazette", "Screenland", "Photo Play", "American Legion Weekly", "Success", "Film Fun", "Popular Science", and "Opportunity".

Commission's Exhibits Nos. 13 and 14 display such statements as these: "Big pay"; "Give free merchandise and get cash profits on first call"; "Giving away shirts, ties, underwear, hosiery"; "One shirt free with every three"; "One tie free with every three"; "One suit of underwear free with every three"; "Special free hosiery offers too"; "First calls give big cash profits"; "Accept this free golden invitation to represent Carlton Mills—nationally known men's wear manufacturers—a leader in the direct-to-wearer field". Both of these advertisements bear the words "Carlton Mills, Inc., 79 Fifth Avenue, New York". Respondent after obtaining

¹ Exhibits not published.

such salesmen, forwarded to them in addition to the sample books, various other circulars, from time to time. Samples of such circulars appear in the record as Commission's Exhibits Nos. 9, 10, 11 and 12. Respondent has also published and circulated among its agents a house magazine, a sample of which is Commission's Exhibit No. 15. In the circulars which respondent forwarded to its representatives as mentioned hereinabove were various alleged special offers, and some of these special offers are shown in Commission's Exhibit Nos. 9, 10, 11, and 12. Commission's Exhibit No. 9 bears the statement on the outside as follows: "Important—Carlton Representative—You are hereby authorized to offer your customers Special Free Gift Merchandise—as described within this folder". Within the circular there are described a number of free offers, most of which offer one garment free with an order for three. On the back of the circular there is among other statements the following: "Men! What an opportunity for salesman and customer—you're going to give away thousands and thousands of dollars worth of new fall merchandise *Free*—and your offerings will be at the lowest prices in ten years". Commission's Exhibit No. 10 is a letter of the respondent and is addressed "To Whom It May Concern: This is a letter of authorization to bearer hereof, our authorized representative". This letter states that the respondent is inaugurating a "Special 'Give-Away' Sale" during which respondent would give away hundreds of thousands of dollars worth of Carlton merchandise "Absolutely Free" and contained various offers most of which were for one garment free on each order for three garments. The Commission's Exhibits Nos. 11 and 12 are very similar in substance to the above-mentioned Exhibit No. 10.

PAR. 5. Shirts comparable in quality and workmanship to those which respondent advertises at the price of three for \$4.98 with one shirt free (Comm. Ex. No. 1) sell regularly from 75 cents to \$1 each. Shirts comparable in quality and workmanship to those which respondent advertises at the rate of three for \$5.98 with one shirt free (Comm. Ex. No. 2) sell regularly from \$1 to \$1.55 each. Shirts comparable to other shirts which respondent advertises at the rate of three for \$5.98 with one shirt free (Comm. Ex. No. 3) sell regularly from 75 cents to \$1.50 each. Shirts comparable in quality and workmanship to other shirts which respondent advertises at the rate of three for \$4.98 with one shirt free (Comm. Ex. 4) sell regularly from 50 cents to \$1.25 each.

PAR. 6. The aforesaid representations set out in paragraph 4 hereof were false and misleading and the respondent was not offering any merchandise free but the cost of the allegedly free article

together with a profit on all the articles sold was included in the price which respondent charged, and said representations had the capacity and tendency to mislead and deceive the consuming public and did mislead and deceive a substantial number thereof.

PAR. 7. Respondent, in its sample books and advertising circulars and magazines advertisements, as hereinbefore mentioned, through the use of the words "Mills", "Manufacturers", "Shirt Manufacturers", "Direct-to-wearer", "Direct from mill to wearer", "It has facilities to make and deliver all that it undertakes", "From the raw material to each superbly finished garment Carlton finances the cost—not the profit", "Carlton assumes full command over its supreme custom quality away back at the looms, from that important point, when the first slender thread is finished into fabric, our gigantic resources and facilities control each stage in the designing and manufacture", represents itself as being a textile mill, and represents that, because of this, it sells its merchandise to the consumer at a better price, quality considered, than those of its competitors who reach the consumer through retail distribution.

Respondent, through the use of the words just above referred to and the additional words "Nationally known men's wear manufacturers", "As a recognized manufacturing factor in the 'direct-to-wearer' field it is an outstanding financially dominant leader", "This humanized efficiency makes possible the utmost in quality manufacture—", "Remember Carlton is 100 percent the manufacturer, operating only one overhead and doing nationwide business", "Doesn't it sound logical that the bigger the organization the more economically it can merchandise its products? When the organization happens to be the actual manufacturer of the products and not a jobber, this logic becomes even more significant", further represents itself as being manufacturers of the merchandise which it sells, and represents that because of this, it sells direct to the consumer at a better price, quality considered, than those of its competitors who reach the consumer through retail distribution.

The hosiery, some of the underwear, and some of the outside jackets were purchased in the finished form from the manufacturer thereof and respondent had no connection with or control over the manufacture of such merchandise.

As regards the men's shirts, respondent purchased the cloth for these, most of which was in the finished form but a small amount was purchased unbleached and converted at respondent's direction. Respondent cut the patterns for the shirts in its own workrooms and then the patterns were sent to a shirt factory where the pieces were made into shirts. Respondent furnished the buttons and other

fittings and the manufacturer furnished the thread. These shirts were made according to the specifications furnished by respondent and were made on a contract basis at a specified price per dozen. A manufacturer with his place of business in New Jersey made shirts for the respondent, as well as for other shirt dealers, at a specified price per dozen on specifications furnished by the respondent. He employed all the help in his factories and respondent furnished no additional supervision.

The same situation is true with regard to the neckties which respondent sold.

The respondent does not own, operate, or control any textile mill or any manufacturing establishment, and the respondent is not the maker or manufacturer of the merchandise which it sells. The prices charged by respondent are not limited to a single overhead charge and its representations to that effect are false, misleading and deceptive and have mislead and deceived users and customers of respondent into purchasing merchandise from respondent in the belief that such representations were true, that respondent did own or operate textile mills or manufacturing establishments and that respondent was the maker or manufacturer of the merchandise which it sells. There are dealers in men's furnishings who manufacture such merchandise and who sell said merchandise direct to the user or wearer. The representations of the respondent adversely affect the sales of such manufacturers and also adversely affect the sales of dealers in men's furnishings who do not falsely represent themselves as being the manufacturer thereof.

PAR. 8. The respondent immediately prior to the issuance of the complaint herein advertised its men's hosiery as "pure thread silk reinforced with art silk". This hosiery is composed of silk and rayon. The respondent, since the commencement of this action, has changed its advertising regarding its hosiery to "pure thread silk reinforced with lustrous synthetic yarn".

Respondent's hosiery is not composed of pure thread silk but is composed of silk and rayon. The use by respondent of the expressions or words "pure thread silk reinforced with art silk" and "pure thread silk reinforced with lustrous synthetic yarn" is false and misleading when used to describe hosiery composed of silk and rayon, and such use by the respondent misleads and deceives customers and prospective customers of respondent into believing that such hosiery was composed of pure thread silk.

PAR. 9. In its sample book respondent advertised certain of its coats as "Articoat—King of all Sheep Lined Moleskins," other coats and jackets at the "Alaska Lethercoat," and still others as "Storm

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King Lethercoat." The coat advertised as "sheep lined moleskin" had been discontinued but when it was sold it was composed of a fabric which had been waterproofed but was not composed of the skin of moles; the coats which were advertised as the "Alaskan Lethercoat" and as "Storm King Lethercoat" were also composed of a fabric which had been waterproofed but which was not composed of leather.

The use of the expressions "Articoat—King of all Sheep Lined Moleskins" and "Storm King Lethercoat" as well as "Alaskan Lethercoat" was false and misleading and had the capacity and tendency to mislead and deceive and did mislead and deceive substantial numbers of the purchasing public into believing that said coats were composed of the skins of moles or leather.

PAR. 10. In its sample books the respondent prior to the issuance of the complaint herein described certain of its shirt materials as (a) Manhattan broadcloth, (b) Columbia broadcloth, (c) Ambassador broadcloth, and (d) Breslin broadcloth. The Manhattan Shirt Co. is a well-known manufacturer of shirts and has manufactured shirts bearing the name "Manhattan" for a great many years, and the word "Manhattan" has become associated in the minds of the public with the product of the Manhattan Shirt Co. The Columbia Shirt Co. has been making shirts for a great many years and has described its product as "Columbia" shirts, and the term "Columbia" has become associated in the minds of the public with the product of the Columbia Shirt Co. The term "Ambassador" has also been used for a long time to describe a shirt manufactured by a particular concern and has become well known as the product of such company. The term "Breslin" has been used for a long time in connection with the sale of shirts made by the Breslin Shirt Co. and has become well known in the minds of the public as the product of that company. The use by respondent of the above terms to advertise shirts sold by respondent would result in confusion and deception in the minds of the purchasing public.

The respondent admitted that the above terms had a value in the sale of shirts but stated that it had discontinued the use of such terms. Respondent's president testified that the labels in the shirts bore the name Carlton, but on further questioning stated that the purchaser ordered his shirts from the sample book, paying a deposit to the salesman and paying the balance of the purchase price upon delivery by the post office, and that he would not see the label in the shirts which he bought until after delivery to him and the full purchase price had been paid.

The Commission finds that the terms "Manhattan", "Columbia", "Ambassador", and "Breslin" as used by the respondent were false and misleading, that the manner in which the said terms were used by respondent would lead the consuming public to believe that the shirts were either made by the manufacturers of such trade marked shirts or that the material for respondent's shirts was furnished by the manufacturers of such shirts.

PAR. 11. The companies hereinbefore mentioned who have been manufacturing and distributing such trade marked shirts and other manufacturers who distribute shirts under their own trade mark and manufacturers whose shirts are sold to the public without a trade mark of the manufacturer are likely to be injured and have been injured by the respondent's use of the terms "Manhattan", "Columbia", "Ambassador", and "Breslin." Respondent's use of such terms is also likely to injure and has injured those manufacturers making men's shirts who do not indulge in practices such as those in which respondent has indulged, and is likely to injure and has injured dealers selling shirts bearing well-known trade-marked names as well as dealers selling shirts which bear trade-marked names not so well known.

PAR. 12. The foregoing acts, practices, and representations and each of them made and done by the respondent have had and do have the capacity and tendency to mislead and deceive purchasers and prospective purchasers of respondent's products and have a tendency to injure to a substantial extent competitors of respondent by unfairly diverting trade from such competitors of the respondent.

PAR. 13. The complaint in paragraph 7 thereof, charged the respondent with advertising exhausted patterns and substituting patterns of its own selection on orders therefor. No evidence was offered in support of this charge of the complaint.

CONCLUSION

The acts and practices of the said respondent under the conditions and circumstances described in the foregoing findings are to the prejudice of the public and of respondent's competitors and are unfair methods of competition in commerce, constituting a violation 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."

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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, briefs and oral argument on behalf of both the counsel for the Commission and respondent and the Commission having made its findings as to the facts and its 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, Carlton Mills, Inc., a corporation, its officers, agents, and employees in connection with the advertising, offering for sale and sale and distribution by it in interstate commerce and in the District of Columbia, of the various products in which it deals, forthwith cease and desist from:

(1) Directly or indirectly representing through or by phrases such as "one shirt free with every three", "one tie free with every three", "one suit of underwear free with every three", "one pair of socks free with every three", or in any other way that in connection with or in combination with the purchase from it by its customers or prospective customers of three or more shirts, suits of underwear, ties or pairs of socks or any other article in which it deals, it is giving away or will give away free of charge a shirt, a tie, a suit of underwear or a pair of socks or any other article of merchandise, until and unless respondent actually gives away a shirt, tie, suit of underwear, a pair of socks or such other article of merchandise without including the cost thereof in the selling price of the articles sold.

(2) Directly or indirectly representing through and by the use of the words "manufacturer" and/or the phrases "direct from mill to wearer", "from the raw material to each superbly finished garment Carlton finances the cost not the profit", "Carlton assumes full command over its supreme quality away back at the looms", "nationally known men's wear manufacturer", "100 percent the manufacturer", or in any other way that it is the manufacturer, weaver or knitter of products sold and distributed by it, until and unless said Carlton Mills, Inc., actually owns and operates or directly and absolutely controls factories or mills wherein are made articles by it sold or offered for sale.

(3) Using the corporate name, "Carlton Mills, Inc.," or any other corporate or trade name which includes the word "Mills" or any other name indicating that it is a knitter, weaver or manufacturer, unless and until said Carlton Mills, Inc., actually owns and operates or directly and absolutely controls factories or mills wherein are made

articles by it sold or offered for sale or unless and until said Carlton Mills, Inc., shall insert and use also the words "not weavers, knitters or manufacturers" or words of similar import, in immediate conjunction with its title, corporate name, trade name, or other designation and in letters equally legible and conspicuous when said title, corporate name, trade name or other designation is used on stationery, letterheads, containers, advertising matter or otherwise.

(4) Representing that hosiery made of silk and rayon but not of pure silk thread is pure thread silk.

(5) Representing by the use of the terms "sheep lined moleskins", "Alaskan Lethercoat" or "Storm King Lethercoat" or by the use of other terms of similar import or in any other way, that its fabric coats are made of moleskin or leather.

(6) Using the names "Manhattan", "Columbia", "Ambassador", or "Breslin", or any other trade-marked name to describe shirts made for respondent by manufacturers other than the owner of such trade-marked names.

It is further ordered, That the said respondent within 60 days from and after the day of service upon it of this order shall file with the Commission a report in writing, setting forth in detail the manner and form in which it is complying and has complied with the order to cease and desist hereinabove set forth.

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