

Complaint

IN THE MATTER OF

MILTON E. MOSS AND E. MOSS, COPARTNERS, TRADING
UNDER THE NAMES AND STYLE OF M. E. MOSS MANU-
FACTURING CO., AND E. MOSS CO.

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

Docket 2228. Complaint, Aug. 31, 1934—Order, Nov. 26, 1934

Consent order requiring respondents, in connection with the sale and offer in interstate commerce of ladies' hosiery, to cease and desist forthwith from falsely representing in their advertisements, circulars, and catalogs distributed generally through the mails, or in any other way, that—

- (a) Said hosiery so dealt in by them is not sold in stores;
- (b) They are the originators of "Run Stop" hosiery, or of "Run Stop Insured Full-Fashioned Silk Hosiery", or created this "New Type" hosiery, or they are sole distributors of such "Run Proof" hosiery;
- (c) Such hosiery is of real high quality and offered and sold at "one third regular price" or at "greatly reduced prices", or is of "a combination weight made only in silk hosiery which retails at \$1.75 per pair";
- (d) They make a free gift of a "Pearl necklace—\$6 genuine Parisian—diamond clasp—clear white, genuine, indestructible", with every three pairs purchased, until they do in fact furnish, without any additional cost, a genuine pearl necklace, costing \$6 at reputable retail stores, and conforming in all respects to the aforesaid description; and
- (e) They guarantee their hosiery against runs from actual wear, and will replace, free of charge, any pair bought from them which runs from actual wear; and

Ordered further, That said respondents, their agents, etc., in connection with the sale of ladies' hosiery in interstate commerce and the offer thereof, also forthwith cease and desist from refusing and neglecting to abide by and adhere to any guarantee made by them in their advertisements, circulars, and catalogs, or otherwise, and from refusing or neglecting, more particularly, to abide by any guarantee to furnish to purchasers, free of charge, a pair of hosiery, for any pair purchased from them, in which runs from actual wear occur.

Mr. James M. Brinson for the Commission.

Mr. Harold Zinman, of Hartford, Conn., for respondents.

COMPLAINT

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, having reason to believe that Milton E. Moss and E. Moss, doing business under the trade names and style of M. E. Moss Manufacturing Company and E. Moss Company,

Complaint

19 F. T. C.

hereinafter called respondents, have been and are using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to said Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PAR. 1. Respondents, Milton E. Moss and E. Moss, are copartners, trading under the names of M. E. Moss Manufacturing Company, and E. Moss Company, with their principal place of business located in the city of Hartford, in the State of Connecticut. They are now, and for more than two years last past have been, engaged in the sale and distribution, by mail orders, in commerce between and among the various States of the United States, of a variety of articles, including ladies' hosiery, and have caused, and still cause, said articles when sold by them to be shipped from their place of business in the city of Hartford aforesaid to the purchasers thereof located in the State of Connecticut and States other than the State of Connecticut, and there is now and has been at all times hereinafter mentioned, a constant current of trade and commerce by said respondent in such articles between and among the various States of the United States and in the District of Columbia. In the course and conduct of their said business, the respondents are now, and have been at all times herein mentioned, in substantial competition with other partnerships, and with individuals, firms, and corporations likewise engaged in interstate commerce in the sale and distribution of ladies' hosiery and of other articles similar to those in which the respondents have dealt and still deal.

PAR. 2. In the course and conduct of their business as described in paragraph 1 hereof, the respondents, in soliciting the sale of the hosiery dealt in by them, have falsely represented and still falsely represent in their advertisements, circulars, and catalogs distributed by them generally through the mails, among other things, as follows:

(1) That the ladies' hosiery sold and offered for sale by them is not sold in stores;

(2) That they are originators of "Run-Stop" hosiery; that they created this "new type" hosiery; that they are sole distributor of the world famous "Run-Proof" hosiery; that they are makers of the famous "Neva-Run" hosiery; that they are originators of the famous "Run-Stop Insured Full-Fashioned Silk Hosiery";

(3) That their hosiery is real high quality and is sold and offered for sale by them at "One third regular price"; at "Greatly reduced prices"; "A combination weight made only in silk hosiery which retails at \$1.75 per pair";

(4) That with every three pairs of hosiery purchased they will make a free gift of a "Pearl Necklace—\$6 genuine Parisian—Diamond Clasp—Clear White. Genuine Indestructible";

(5) That they guarantee the hosiery they sell against runs from actual wear and that they will replace, free of charge, any pair of hosiery bought from them which runs from actual wear.

PAR. 3. In truth and in fact respondents buy their hosiery from manufacturers and wholesalers therein. Such hosiery is regular stock merchandise which the manufacturers and wholesalers therein sell also to retail stores which in turn resell to the public. And in truth and in fact respondents are not the originators of "Run-Stop" hosiery; did not create this type of hosiery; are not the sole distributor of "Run-Proof" hosiery, makers of "Neva-Run" hosiery, or originators of "Run-Stop" silk hosiery. And in truth and in fact the prices at which respondents offer to sell, and sell such hosiery, is above the regular price charged in retail stores for such hosiery; is no reduction from the regular prices of such hosiery, and such hosiery does not retail at \$1.75 a pair when sold by retailers thereof but is sold at the average store at prices less than the prices at which respondents advertise and sell, and at which they do sell such hosiery. And in truth and in fact the aforesaid "free gift" of a pearl necklace with every three pairs of hosiery purchased from the respondents is not a free gift but the cost thereof is included in the price at which respondents offer to sell, and do sell, such hosiery; and in truth and in fact the pearl necklace so offered as a free gift is made of imitation pearls with a rhinestone clasp instead of a diamond clasp, is not worth \$6 but ordinarily retails at reputable jewelry stores for from 50 cents to \$1. And in truth and in fact, while the respondents guarantee the hosiery for sale against runs from actual wear, it is now, and has been, their general practice and policy not to abide by and not to adhere to the terms of such guarantee but to refuse to perform their obligation under such guarantee.

PAR. 4. The aforesaid misrepresentations of the respondents as set out in paragraph 2 hereof, and their use of the words "Manufacturing Company" as a part of their trade name, have the capacity and tendency to mislead and deceive, and have misled and deceived the purchasers and prospective purchasers, into the beliefs that the representations made by the respondents as set out in paragraph 2 hereof, are true and to purchase hosiery from respondents in such beliefs; thereby trade has been diverted to respondents from competitors engaged in interstate commerce in the sale of hosiery, and as a conse-

Order

19 F. T. C.

quence thereof, substantial injury has been done by the respondents to substantial competition in interstate commerce.

PAR. 5. The above acts and things done by respondents are all to the injury and prejudice of the public and competitors of respondents in interstate commerce, within the 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

The respondents herein, Milton E. Moss and E. Moss copartners, trading under the names and style of M. E. Moss Manufacturing Company and E. Moss Company, in and by their answer to the complaint in this proceeding having waived hearing on the charges set forth in the said complaint and having stated in their said answer that they desire not to contest the proceeding and having consented in and by their said answer that, as provided in paragraph 2 of Rule III of the Commission's Rules of Practice, the Commission without trial, without evidence, and without findings as to the facts or other intervening procedure, might make, enter, issue, and serve upon the said respondents and each of them an order to cease and desist from the methods of competition charged in the said complaint; and the Commission having duly considered the said answer and being fully advised in the premises—

Now, therefore, it is hereby ordered, That the respondents, Milton E. Moss and E. Moss, as individuals and as copartners trading under the names of M. E. Moss Manufacturing Company and of E. Moss Company, or under any other trade name, their and each of their agents, servants, and employees, in connection with the sale in interstate commerce by them or by either of them, and in connection with the offering for sale in interstate commerce by them, or either of them, of ladies' hosiery, forthwith cease and desist from representing in their advertisements, circulars, and catalogs distributed by them or either of them generally through the mails, or in any other way:

(1) That the ladies' hosiery sold and offered for sale by them, or by either of them, is not sold in stores, until and unless ladies' hosiery of the same type and kind, and manufactured by the same manufacturers as manufacture such hosiery for the said respondents, is not sold in stores;

(2) That they are the originators, or that either of them is the originator of "Run-Stop" hosiery; that they, or either of them, created this "New Type" hosiery; that they are the originators of,

or that either of them is the originator of, "Run-Stop Insured Full-Fashioned Silk Hosiery"; that they are the sole distributors, or that either of them is the sole distributor of "Run-Proof" hosiery, until and unless such "Run-Proof" hosiery is not distributed by anyone other than said respondents or by either of them;

(3) That the hosiery sold or offered for sale by them, or by either of them, is of a real high quality and is sold and offered for sale by them, or by either of them, at "One third regular price"; at "Greatly reduced prices"; until and unless such hosiery is of real high quality and is offered for sale by the respondents, or by either of them, at one half of the price at which it is regularly sold or at prices greatly reduced from those at which such hosiery is regularly sold by the respondents or by either of them;

(4) That the hosiery sold by them, or by either of them, is of "A combination weight made only in silk hosiery which retails at \$1.75 per pair", until and unless such hosiery is of a combination weight made only in silk hosiery which usually retails at stores dealing in hosiery at \$1.75 per pair;

(5) That with every three pairs of hosiery purchased, they, or either of them, will make a free gift of a "Pearl Necklace—\$6 genuine Parisian—Diamond Clasp—Clear White, Genuine Indestructible", until and unless with every three pairs of hosiery purchased, the respondents, or either of them, do furnish free and without any additional cost, a genuine Parisian pearl necklace costing \$6 at retail at reputable retail stores, which said genuine Parisian pearl necklace shall have a diamond clasp and which said genuine Parisian pearl necklace shall be clear white and shall be indestructible;

(6) That they, or either of them, guarantee the hosiery which they sell and offer for sale, against runs from actual wear and that they will replace, free of charge, any pair of hosiery bought from them which runs from actual wear, until and unless they, or either of them, adhere to and abide by the terms of such guarantees:

And it is hereby further ordered, That the respondents, Milton E. Moss and E. Moss, as individuals and as copartners, trading under the names of M. E. Moss Manufacturing Company and E. Moss Company, or under any other trade name, their and each of their agents, servants, and employees, in connection with the sale of ladies' hosiery in interstate commerce by them or either of them, and in connection with the offering for sale of ladies' hosiery in interstate commerce by them or either of them, forthwith cease and desist from refusing or neglecting to abide by and adhere to any guarantee made by them or by either of them in their or either of their ad-

Order

19 F. T. C.

vertisements, circulars and catalogs, distributed by them or either of them generally through the mails, or in any other way, and more particularly, from refusing or neglecting to abide by any guarantee made by them or by either of them by which they, or either of them agree or have agreed to furnish to their purchasers and prospective purchasers a pair of hosiery free of charge for any pair of hosiery bought from the said respondents or from either of them, in which hosiery, purchased from the said respondents or either of them, have occurred or occur runs from actual wear.

And, it is hereby further ordered, That the said respondents, and each of them, shall, within 30 days from the day of the date of the service upon them of this order, file with this Commission a report or reports in writing, setting forth the manner in which they, and each of them, shall have complied with this order.

Complaint

IN THE MATTER OF
THE GEOGRAPHICAL PUBLISHING COMPANYCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2239. Complaint, Oct. 18, 1934—Order, Nov. 26, 1934*

Consent order requiring respondent, its agents, etc., in connection with the sale and offer in interstate commerce of atlases, books, magazines, journals, and other publications, to cease and desist from advertising, publishing, or representing in any manner that—

- (a) Its salesmen or solicitors are from or with "The National Geographic Society" or represent said society, or that certain of the subscriptions sold and offered by it include the National Geographic Magazine, or that its salesmen or solicitors ever were agents for the National Geographic Society and authorized to take subscriptions for said magazine, or ever were photographers in the employ of said society or that they represent "The Geographic"; or
- (b) The National Geographic Society is or was a subsidiary of it, or that an atlas sold and in some cases given as a premium by its salesmen or solicitors is or ever was sponsored or published by said society or prepared thereby, although published by it.

Mr. John W. Hildrop for the Commission.

COMPLAINT

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, having reason to believe that The Geographical Publishing Company, a corporation, has been or is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to said Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. That said respondent, The Geographical Publishing Company, is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business in the city of Chicago, in said State.

PAR. 2. That said respondent is now and for a number of years last past has been engaged in printing and publishing maps, atlases, and books, and in the sale of said products has caused the same to be distributed from its place of business in the State of Illinois to