

Complaint

IN THE MATTER OF

EDWARD M. KAHN CORPORATION

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

Docket 2295. Complaint, Mar. 6, 1935¹—Order, Apr. 18, 1935

Consent order requiring respondent, its agents, etc., in connection with the sale, advertisement and offer of cloth or fabric in interstate commerce, to cease and desist from using or causing others to use words or terms "Taffeta", "Silk" and "Pure Dye", either singly or together, in newspapers, periodicals, sample books, or other publications, or by means of the radio, or by means of labels attached thereto, to describe or to designate cloth or fabric in the form of narrow ribbon or in any other form, unless fiber of the composition thereof is derived entirely from silk, product of the cocoon of the silkworm.

Mr. Edward E. Reardon for the Commission.

COMPLAINT¹

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 Edward M. Kahn Corporation, hereinafter referred to as respondent, has been and now is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its amended complaint stating its charges in that respect, as follows:

PARAGRAPH 1. Edward M. Kahn Corporation, is a corporation formed by consolidation of existing corporations on or about March 1, 1933, under the laws of the State of New York, and having its usual and principal place of business in New York City, N. Y., at all times since said date.

PAR. 2. The respondent is, and, during all the time since its incorporation, has been engaged in the manufacture of Narrow Ribbons, some of which are and have been composed entirely of silk and some of which are and have been composed partly of silk and partly of other fiber, such as rayon, with a factory located at Glendale, N. Y. And the respondent during said time has been engaged in the business of the sale of the Narrow Ribbons manufactured by it,

¹ Amended.

including the ribbons mentioned and referred to in paragraphs 5 to 9, inclusive, hereof, which, among others having labels attached thereto of similar effect, it has sold and still sells, at wholesale, in the usual course of its business to wholesale and retail dealers located in various States of the United States other than New York, the purchasers thereof, for resale to the members of the public for use or consumption.

The respondent has caused its Narrow Ribbons, when so sold by it, to be transported from New York or from the State of origin of the shipment thereof, to, into, and through the said other States to the purchasers.

PAR. 3. During the times referred to in paragraph 2 hereof, other individuals, firms and corporations located in various States of the United States and hereinafter referred to as sellers, have been engaged in the business of the sale of Narrow Ribbons, at wholesale, some of which are and have been composed entirely of silk and some of which are and have been composed partly of silk and partly of other fiber, such as rayon, for the same or similar purposes of use or consumption by the public as the ribbons made and sold by respondent, referred to in paragraphs 2, and 5 to 9, inclusive, hereof, and they have, respectively, sold the same in the usual course of their business to wholesale and retail dealers, the purchasers thereof, located in States other than the State of the seller, or the State of origin of the shipment, for resale to the members of the public for use or consumption.

During the times above referred to, the sellers respectively, have caused the Narrow Ribbons when so sold by them to be transported to, into, and through States other than the State of the seller, or the State of origin of the shipment, to the purchasers.

PAR. 4. The respondent, during the times above mentioned and referred to, has been and it now is in substantial competition in interstate commerce in the sale of Narrow Ribbons with the other individuals, firms, and corporations, referred to as sellers in paragraph 3 hereof.

PAR. 5. During all the times referred to in paragraph 2 hereof, the respondent sold, as set forth in said paragraph, Narrow Ribbon on spools, each spool containing approximately seven yards of ribbon composed entirely of silk. And the respondent caused labels to be placed on each of the spools of the ribbon containing, among other words, the following: "All Silk Taffeta Ribbon"—"Pat. 717"—"Pure Dye", with the knowledge and intent that the spools of ribbon would be displayed and resold by wholesale dealers to retail dealers and in turn displayed and resold by the retail dealers to the members of

the public with the said labels thereon containing the above-mentioned words.

PAR. 6. During all the times referred to in paragraph 2 hereof the respondent sold, as set forth in said paragraph, Narrow Ribbon on spools, each spool containing approximately seven yards of ribbon composed of approximately 50 percent of rayon fiber and 50 percent of silk. And the respondent caused labels to be placed on each of the spools of the ribbon containing, among other words, the following: "All Silk Taffeta Ribbon"—"Meteor"—"Pure Dye", with the knowledge and intent that the spools of ribbon would be displayed and resold by wholesale dealers to retail dealers and in turn displayed and resold by the retail dealers to the members of the public with the said labels thereon containing the above-mentioned words.

PAR. 7. During all the times referred to in paragraph 2 hereof the respondent sold, as set forth in said paragraph, Narrow Ribbon on spools, each spool containing approximately seven yards of ribbon, composed of approximately 58 percent of rayon fiber and 42 percent of silk. And the respondent caused labels to be placed on each of the spools of the ribbon containing, among other words, the following: "Wonder Brand All Silk"—"Seam Binding", with the knowledge and intent that the spools of ribbon would be displayed and resold by wholesale dealers to retail dealers and in turn displayed and resold by the retail dealers to the members of the public with the said labels thereon containing the above-mentioned words.

PAR. 8. During all the times referred to in paragraph 2 hereof the respondent sold, as set forth in said paragraph, Narrow Ribbon on spools, each spool containing approximately seven yards of ribbon, composed of approximately 61 percent of rayon fiber and 39 percent of silk. And the respondent caused labels to be placed on each of the spools of ribbon containing, among other words, the following: "Taffeta Ribbon"—"Meteor"—"Pure Dye", with the knowledge and intent that the spools of ribbon would be displayed and resold by wholesale dealers to retail dealers and in turn displayed and resold by the retail dealers to the members of the public with the said labels thereon containing the above-mentioned words.

PAR. 9. During all the times referred to in paragraph 2 hereof the respondent sold, as set forth in said paragraph, Narrow Ribbon on spools, each spool containing approximately seven yards of ribbon, composed of approximately 60 percent of rayon fiber and 40 percent of silk. And the respondent caused labels to be placed on each of the spools of the ribbon containing, among other words, the following: "Taffeta Seam Binding", with the knowledge and intent that the spools of ribbon would be displayed and resold by wholesale dealers

to retail dealers and in turn displayed and resold by the retail dealers to the members of the public with the said labels thereon containing the above-mentioned words.

PAR. 10. Prior to and during all the times above-mentioned and referred to, cloth or fabric described or designated solely by the words, "Silk" and "Taffeta", used singly or together, is and has been understood to be cloth or fabric the fiber of which is composed of "Silk", the product of the cocoon of the silkworm, by the manufacturers of and wholesale and retail dealers in goods, cloth or fabric, and by the public, who buy goods, cloth or fabric so described or designated for use or consumption in various forms, including Narrow Ribbons. And, during all the said times the words "Pure Dye" when used in connection with cloth or fabric containing silk fiber are and have been understood by the said manufacturers and dealers, and by the public, to mean that the fiber of the cloth or fabric described by the words "Pure Dye" is no other fiber than silk, the product of the cocoon of the silkworm.

PAR. 11. During all the times above mentioned and referred to, the statements and representations consisting of the words "Taffeta", "All Silk", and "Pure Dye", on the labels of the ribbons referred to in paragraphs 6 to 9, inclusive, hereof, and the representations implied therein were and are false statements and false representations of material facts made and caused to be made by the respondent to dealers and members of the public as to the composition of the fabric of which the ribbons were made to which the labels were attached in that the fiber of which the said fabric was composed was not wholly of silk, the product of the cocoon of the silkworm, and they had the capacity and tendency to deceive and to mislead wholesale and retail dealers to whom the respondent sold its said ribbons for resale and to cause the dealers, in turn, to deceive and mislead the members of the public who bought respondent's ribbons so described or designated for use or consumption and the said wholesale and retail dealers and members of the public were deceived and mislead thereby into the belief that the fiber of which the fabric of respondent's said Narrow Ribbons was composed was entirely of silk, the product of the cocoon of the silkworm; and relying upon that belief into purchasing respondent's said Narrow Ribbons in preference to the Narrow Ribbons of respondent's competitors; and trade in Narrow Ribbons was thereby caused to be diverted from respondent's competitors.

PAR. 12. The above acts and things done and caused to be done by the respondent are and were each and all to the prejudice of the public and of the respondent's competitors, and constitute unfair methods of competition in commerce within the meaning and intent 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" (38 Stat. 717), the Federal Trade Commission, on March 6, 1935, issued its amended complaint against the above named respondent, in which amended complaint it is alleged that the 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 April 17, 1935, the respondent filed its answer to said amended complaint, wherein it consents that the Federal Trade Commission may make, enter and serve upon it an order to cease and desist from the practices alleged in the amended complaint in connection with the sale and offering for sale of narrow ribbon in interstate commerce described or designated by the use of the words or terms "Taffeta", "Silk" and "Pure Dye", in accordance with the provisions of paragraph (b) of Rule V of the Rules of Practice of the Commission, and the Commission being fully advised in the premises:

It is now ordered, that the respondent, Edward M. Kahn Corporation, its agents, employees and representatives, in connection with the sale and the advertising and the offering for sale of cloth or fabric in interstate commerce in the form of narrow ribbon, or in any other form, do—

Cease and desist from the use, or from causing the use by others, of the words or terms "Taffeta", "Silk", and "Pure Dye", either singly or together, in newspapers, periodicals, sample books or other publications, or by means of the radio, or by means of labels attached thereto, to describe or to designate cloth or fabric in the form of narrow ribbon or in any other form, unless the fiber of its composition is derived entirely from silk, the product of the cocoon of the silkworm.

It is further ordered, that the respondent, Edward M. Kahn Corporation, shall, within 30 days after the date of service on it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied and is now complying with the order to cease and desist hereinabove set forth.

Complaint

20 F. T. C.

IN THE MATTER OF
JULES V. RIVIERE PERFUMES, INC.

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

Docket 2250. Complaint, Nov. 23, 1934—Order, Apr. 22, 1935

Consent order requiring respondent, its officers, etc., in connection with the advertisement, sale and offer for sale of its perfumes in interstate commerce to forthwith cease and desist from (1) using the words "Paris" or "France", or the name of Jules V. Riviere or Jules Riviere or Riviere in the form of a signature, in or on labels, or display or shipping cartons or packages containing domestic made perfumes, or in connection with advertising matter, relating to domestic made perfumes, in the form of written or printed words or radio broadcast, or other form, in such a way as to represent or imply that said perfumes were made in Paris or France, and from (2) using the name of Jules V. Riviere, as aforesaid, or any inscriptions or statements in the French language, upon such cartons or packages, or in connection with such advertising matter, without clearly showing that said perfumes were made in the United States.

Mr. Robt. N. McMillen for the Commission.

Munn, Anderson & Liddy, of New York City, for respondent.

COMPLAINT

Pursuant to the provisions of an Act of Congress 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 Jules V. Riviere Perfumes, Inc., a corporation, hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce, as "commerce" is defined in said act, and it appearing to the Commission that a proceeding by it would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent is, and at all times hereinafter mentioned was, a corporation organized and existing under and by virtue of the laws of the State of New York, with its principal place of business at New York City in said State. It is and has been engaged in the manufacture, compounding and sale of perfumes. Its sales are made to customers located in the various States of the Union, and pursuant to such sales shipment is made by respondent from its place of business in New York to such customers located in the various States as aforesaid. The corporate name is not the name of any person connected with respondent or its predecessor in the business.