

Complaint

21 F. T. C.

IN THE MATTER OF

SAMUEL KRONOVET, AS AN INDIVIDUAL, AND TRADING
AS WESTBURY KNITTING MILLSCOMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2532. Complaint, Aug. 30, 1935—Order, Nov. 11, 1935*

Consent order requiring respondent individual, his agents, etc., in connection with the sale or offer in commerce between the States and in the District of Columbia of knitted garments, to cease and desist from—

- (a) Using the words "Knitting" and "Mills" as a part of his trade name in advertisements or in any way, until and unless he actually owns, operates and controls the factory or factories wherein said knitted garments sold and distributed by him are actually knitted and made; or
- (b) Representing by advertisements, by general business stationery or in any manner or means whatever, that he is the knitter or manufacturer of the knitted garments sold by him, subject to the qualification hereinabove set forth.

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 Samuel Kronovet, as an individual and trading as Westbury Knitting Mills, 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 to the public interest, the Commission hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. The said respondent, Samuel Kronovet, is an individual trading under the name and style of Westbury Knitting Mills, with his principal place of business located in the city of New York, State of New York. Respondent is now, and for more than one year last past has been engaged in the sale of knitted garments to the trade between and among various States of the United States; causing said products, when sold, to be shipped from his place of business in the State of New York to purchasers thereof located in the various States of the United States, other than the State of New York; and in the course and conduct of his business the respondent, Samuel Kronovet, was at all times herein referred to in competition with other individuals, firms, partnerships, and corporations likewise en-

gaged in the sale and distribution, in interstate commerce, of like and similar products.

PAR. 2. In the course and conduct of his business as described in paragraph 1 hereof, respondent, Samuel Kronovet, adopted as and for a trade name under which to carry on his said business the words "Westbury Knitting Mills", and caused such trade name so containing the words "Knitting Mills" to appear on invoices, letter-heads, and other advertisements and advertising matter in soliciting the sale of and selling his products in interstate commerce when in truth and in fact said Samuel Kronovet did not own, control, or operate any mill or mills wherein the products he sold and distributed in interstate commerce were manufactured, but on the contrary, respondent purchased such products from others or from the manufacturers thereof. When respondent purchases said products from the manufacturers thereof, he sells same to retail merchants in the various States of the United States, who in turn sell same to the public at retail.

PAR. 3. There is, on the part of a large portion of the retail trade selling knitted garments to the consumer, a tendency to deal with and to buy such goods directly from the manufacturer, as it is generally considered among the trade that by buying direct from the manufacturer a middleman's profit is eliminated, and that thereby better prices can be obtained by the retailer, which is a decided trade advantage. The use of the term and words "knitting" and/or "mills", either separately or in conjunction each with the other, by respondent in the manner and form as hereinbefore set out, has a tendency and capacity to mislead and deceive the retail merchants dealing in such commodities by causing them to believe that in buying from respondent they are buying direct from the mill or factory in which the goods so bought were made, and also has a tendency and capacity to unfairly divert to respondent trade from those individuals, corporations, associations, and firms selling to the retail trade in interstate commerce goods, wares and merchandise similar to those sold by respondent, but who truthfully represent and advertise same, and also from those individuals, corporations, associations, and firms who really manufacture the goods they sell and ship in interstate commerce similar to the goods sold by respondent as aforesaid.

PAR. 4. The above acts and things done by respondent are to the injury and prejudice of the public and competitors of respondent in interstate commerce, within the intent and meaning of Section 5 of an Act of Congress entitled "An Act to create a Federal Trade Com-

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mission, to define its powers and duties, and for other purposes", approved September 26, 1914.

ORDER TO CEASE AND DESIST

Samuel Kronovet, trading and doing business as Westbury Knitting Mills, respondent herein, having filed his answer to the complaint in this proceeding, in which answer he states that he desires to waive hearing on the charges set forth in the complaint herein, and not to contest the proceeding, consents in and by his said answer that as provided in paragraph (b) of Rule V of the Commission's Rules of Practice, the Commission, without trial, without evidence and without findings as to the facts or other intervening procedure, may make, enter, and serve upon said respondent an order to cease and desist from the methods of competition alleged in the complaint.

And the Commission having considered the said answer and being fully advised in the premises—

It is now ordered, That the respondent, Samuel Kronovet, trading and doing business as Westbury Knitting Mills, and his agents, servants, representatives, and employees, in connection with the sale, or offer for sale in commerce between and among the several States of the United States and in the District of Columbia, of knitted garments, cease and desist from:

(1) Using the words "knitting" and "mills", either independently or in conjunction with other words, as a part of his trade name, or in advertisements or advertising literature or in any way, until and unless he actually owns, operates, and controls the factory or factories wherein said knitted garments, sold and distributed by him, are actually knitted and manufactured.

(2) Representing, by advertisements, by general business stationery or in any manner or means whatever, that he is the knitter or manufacturer of the knitted garments sold by him, until and unless he actually owns, operates, and controls the factory or factories wherein said knitted garments, sold and distributed by him, are actually knitted and manufactured.

It is further ordered, That the respondent shall, within 60 days after the service upon him of this order, file with the Commission a report in writing, setting forth the manner and form in which he has complied with the order herein set forth.

Complaint

IN THE MATTER OF

CAMEO SILK MILLS, INC.

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

Docket 2574. Complaint, Oct. 9, 1935—Order, Nov. 11, 1935.

Consent order requiring respondent corporation, its officers, etc., in connection with the sale or offer in interstate commerce of silk or raw cloth to cease and desist from using corporate name containing word "Mills" and from representing by any other means that it is a knitter, weaver or manufacturer of cloth, unless and until it actually knits, weaves, or manufactures the cloth sold or offered by it or owns or controls a mill or mills in which such cloth is knit, woven or manufactured.

Mr. T. H. Kennedy for the Commission.

Mr. Abraham Karp, of Brooklyn, N. Y., 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 Cameo Silk Mills, Inc., a 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, states its charges in that respect as follows:

PARAGRAPH 1. The respondent, Cameo Silk Mills, Inc., is a corporation organized under the laws of the State of New York in 1925, then, ever since and now exists by virtue of the laws of said State and now has its principal place of business in the city of New York, State of New York. Respondent is and for more than one year last past has been engaged as a selling agent for manufacturers or converters of silk or raw cloth, the major part of which consists of silk and a small percentage of other fabrics, in commerce between and among the various States of the United States, causing the same when sold to be shipped from its place of business in the State of New York or other State of origin to purchasers thereof located in various States of the United States other than the State of New