

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

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York or other States of origin. In the course and conduct of its business, respondent was at all times hereinafter referred to in competition with other corporations, individuals, firms, and partnerships likewise engaged in the sale and distribution in interstate commerce of similar products.

PAR. 2. In the course and conduct of its business as described in paragraph 1 hereof, said respondent adopted as and for its name the words Cameo Silk Mills, Inc., under which to carry on its business, and which name containing the word "Mills" it has used continuously since in or about 1925 and is now using in soliciting the sale of and selling its said products in interstate commerce. Respondent has caused said name "Cameo Silk Mills, Inc." to appear on its letterheads, billheads, invoices, and other office stationery, and in advertisements and advertising matter distributed in interstate commerce; when in truth and in fact respondent does not now make or manufacture, nor has it ever made or manufactured, the products sold by it which it has sold and distributed in interstate commerce, nor has respondent manufactured silk nor owned, controlled, or operated any mill or mills wherein the products which it has sold and distributed were manufactured.

PAR. 3. There is a preference on the part of certain of the retail merchants in the different States of the United States for goods, wares, and merchandise, to be resold at retail to the public, bought directly from the mill owner or manufacturer thereof, and there is an impression and belief existing among certain of said retail merchants that by dealing directly with a mill owner or manufacturer they can buy goods at a cheaper price and on more favorable terms than they can from jobbers or corporations, associations, individuals, firms, and partnerships not manufacturing goods, wares, and merchandise they sell to such retail dealers by eliminating the profit of the middleman and that a more uniform line of goods can be purchased from a mill operator than from one who does not operate a mill.

The use by the respondent of the word "mills" in its name in respondent's letterheads, billheads, invoices, stationery, or otherwise, has a tendency and capacity to mislead and deceive purchasers who are customers and prospective customers of respondent by causing them to believe that respondent actually owns and operates or directly and absolutely controls the mill or mills in which said products are made or manufactured, or that respondent himself makes or manufactures his products and that thereby such customers or prospective customers have or will save the middleman's profit; and the use by the respondent of the word "mills" has a

tendency and capacity unfairly to divert trade to respondent from other corporations, associations, individuals, firms, and partnerships, who are actually manufacturing products similar to the products of respondent for sale and distribution in interstate commerce, and those competitors of respondent who do not manufacture similar or like products to those of respondent for sale and distribution in interstate commerce, but who truthfully advertise and label same and who do not claim or represent themselves to be manufacturers.

PAR. 4. The practices of respondent described in paragraph 2 hereof are all to the prejudice of the public and the respondent's competitors and constitute unfair methods of competition in interstate commerce in violation of the provisions of Section 5 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."

ORDER TO CEASE AND DESIST

This proceeding having come on for final hearing by the Federal Trade Commission upon respondent's answer, waiving all further procedure and consenting that the Commission may make, enter, and serve upon it an order to cease and desist from the unfair methods of competition charged in the complaint and the Commission being fully advised in the premises—

It is ordered, That the respondent, Cameo Silk Mills, Inc., a corporation, its officers, agents, representatives, or employees, in connection with the sale or offering for sale by it in interstate commerce of silk or raw cloth;

Cease and desist from using a corporate name containing the word "mills", and from representing by any other means that the respondent is a knitter, weaver, or manufacturer of cloth, unless and until it actually knits, weaves, or manufactures the cloth it sells or offers for sale, or owns or controls a mill or mills in which such cloth is knit, woven, or manufactured.

It is further ordered, That the said respondent, within 60 days from the date of the 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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IN THE MATTER OF

PYRENE MANUFACTURING COMPANY

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

Docket 2563. Complaint, Sept. 27, 1935—Order, Nov. 18, 1935

Consent order requiring respondent corporation, its officers, etc., in connection with the sale and offer in interstate commerce of the cleaning fluid made and sold by it under the name Pyrene Safety Cleaner, forthwith to cease and desist from the use of any statement or representation to the effect that said product will remove grease spots from all materials to which it is applied without injury to color or fabric or of any statement such as "no injury to fabric or color" or of any other statement of equivalent meaning so as to import or imply that, or which may have the tendency or capacity to lead purchasers into the belief that said product may be used on materials or fabrics dyed with non-fast or fugitive colors, without impairing, harming, or injuring said colors, and from the use of words or expressions which may naturally import or imply or tend to convey the belief to purchasers that said product will remove spots of whatever kind or character from materials or fabrics to which the product is applied.

Mr. R. L. Kennedy for the Commission.

Chadbourne, Hunt, Jaeckel & Brown, of New York City, for respondent.

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 Pyrene Manufacturing Company, a corporation, hereinafter referred to as the respondent, has been and 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, and states it charges in that respect as follows:

PARAGRAPH 1. The respondent is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business at 560 Belmont Avenue, Newark, N. J., and branch offices in Chicago, Ill.; Atlanta, Ga.; Kansas City, Mo., and San Francisco, Calif. Respondent is now and for more than two years last past has been engaged in the sale of a cleaning fluid, designated as