

Complaint

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IN THE MATTER OF

LASHER'S SILK MANUFACTURING COMPANY, INC.

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

Docket 4612. Complaint, Oct. 9, 1941—Decision, June 23, 1942

Where a corporation engaged in the manufacture and interstate sale and distribution of ribbon seam binding material and other products—

Offered and sold its ribbon seam binding wound on spools, cardboard rolls or cards upon which was imprinted, in conspicuous type and plainly visible to purchasers, along with said corporation's brand name and other descriptive matter, the legend "100 yds."; when in fact, due to shrinkage in dyeing, said spools or cards contained less than said amount;

With result of placing in the hands of dealers purchasing its products for resale a means whereby they were enabled to mislead and deceive the purchasing public, and of misleading and deceiving a substantial portion of such dealers into the false belief that said spools, cardboard rolls and cards contained said quantity, and of thereby inducing their purchase of substantial quantities of its said product; to their loss and injury and that of the purchasing public:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Clyde M. Hadley*, trial examiner.

Mr. B. G. Wilson for the Commission.

Mr. George J. Beldock, of New York City, for respondent.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Lasher's Silk Manufacturing Co., Inc., a corporation, hereinafter referred to as respondent, has violated the provisions of 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 complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Lasher's Silk Manufacturing Co., Inc., is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 545 Eighth Avenue, in the city of New York, State of New York, and a manufacturing plant in the city of Bethlehem, State of Pennsylvania.

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PAR. 2. The respondent is now, and for more than 2 years last past has been, engaged in the manufacture, at its plant in Bethlehem, Pa., of ribbon seam binding material and other products, and in the sale and distribution thereof in commerce between and among the various States of the United States and in the District of Columbia.

Respondent causes its said products, when sold, to be shipped from said place of business in Pennsylvania to jobbers and other purchasers thereof located in various other States of the United States and in the District of Columbia.

Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of its said business, as aforesaid, the respondent has offered for sale and sold, and now offers for sale and sells, its said ribbon seam binding under its brand name "Lasher's," wound or rolled on spools, cardboard rolls or cards. Imprinted and labeled on the visible surface of said spools, cardboard rolls, or cards, among other printed statements, in conspicuous type and visible to the eye of jobbers and other members of the purchasing public, appear the following statements:

SEAM BINDING
100 YARDS
RAYON AND SILK

SEAM BINDING
100 YARDS

The foregoing statements and representations are false, misleading, and deceptive in that the said spools, cardboard rolls, or cards did not, and do not, contain 100 yards of ribbon seam binding.

In truth and in fact, the said spools, cardboard rolls, or card contain substantially less than 100 yards of ribbon seam binding to the container.

PAR. 4. The acts and practices of the respondent place in the hands of the dealers purchasing for resale a means or instrumentality whereby such dealers are enabled to mislead and deceive the purchasing public.

PAR. 5. The aforesaid acts and practices of the respondent have had, and now have, the capacity and tendency to, and do mislead and deceive a substantial portion of purchasers and prospective purchasers into the erroneous and mistaken belief that said spools, cardboard rolls, or cards contain 100 yards of ribbon seam binding and cause jobbers and other members of the purchasing public, because

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of such erroneous and mistaken belief, to purchase substantial quantities of respondent's products, to their injury and to the injury of the public.

PAR. 6. The aforesaid acts and practices of the respondent, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on the 9th day of October A. D. 1941, issued and subsequently served its complaint in this proceeding upon the respondent, Lasher's Silk Manufacturing Co., Inc., a corporation, charging it with unfair and deceptive acts and practices in commerce in violation of the provisions of said act.

After the issuance of the complaint, testimony, and other evidence in support of the allegations of the complaint were introduced by the attorney for the Commission, and evidence in opposition to the allegations of the complaint was introduced by the attorney for the respondent, before a duly appointed trial examiner of the Commission designated by it to serve in this proceeding, and a stipulation of facts was entered into on the record by the attorney for the Commission and the attorney for the respondent. The testimony and other evidence and the stipulation of facts were duly recorded and filed in the office of the Commission. The attorney for respondent waived the filing of the trial examiner's report, filing of briefs and oral argument.

Thereafter, the proceeding came on for final hearing before the Commission, upon the complaint, the testimony and other evidence, and the stipulation as to the facts. And the Commission, having duly considered the matter and being now 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, Lasher's Silk Manufacturing Co., Inc., is a corporation, organized, existing, and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 545 Eighth Avenue, in the city and State of New York, and having a manufacturing plant in the city of Bethlehem, Pa.

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PAR. 2. The respondent, for more than 2 years last past has been, and now is, engaged in the manufacture, in its plant at Bethlehem, Pa., of ribbon seam binding material and other products, and in the sale and distribution thereof in commerce between and among various States of the United States and in the District of Columbia.

The respondent maintains, and at all times mentioned herein has maintained, a course of trade in said product in commerce between and among various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of its business as aforesaid, respondent has offered for sale and sold its ribbon seam binding, wound or rolled on spools, cardboard rolls, or cards, under its brand name, "Lasher's." Among other statements imprinted and labeled on the visible surface of such spools, cardboard rolls or cards, in conspicuous type and plainly visible to purchasers, are the following:

Seam Binding	100 yards	Rayon and silk;
Seam Binding	100 yards.	

The foregoing statements are misleading in that, due to shrinkage in dyeing, the spools, cardboard rolls, or cards did not and do not contain 100 yards of ribbon seam binding, each, but contain less than 100 yards.

PAR. 4. The acts and practices of the respondent place in the hands of dealers purchasing its product for resale, means and instrumentalities whereby they are enabled to mislead and deceive the purchasing public.

PAR. 5. The aforesaid acts and practices of the respondent had and have the capacity and tendency to and do mislead and deceive a substantial portion of the purchasing public into the false and erroneous belief that such spools, cardboard rolls, or cards contain 100 yards of ribbon seam binding, and have induced the purchase by such dealers, because of such belief, of substantial quantities of respondent's product, to the loss and injury of such dealers and the purchasing public.

CONCLUSION

The aforesaid acts and practices of the respondent, as herein found, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission testimony and other evi-

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dence in support of the allegations of the complaint introduced by the attorney for the Commission, and evidence in opposition to the allegations of the complaint introduced by the attorney for the respondent, before a duly appointed trial examiner of the Commission designated by it to serve in this proceeding, and a stipulation of facts entered into on the record by the attorneys for the Commission and for the respondent—the filing of the trial examiner's report, briefs, oral argument, and all intervening procedure being waived, and it being agreed between the attorneys for the Commission and for the respondent that the Commission may make its findings as to the facts and its conclusion based thereon, and issue its order disposing of the proceeding: And the Commission having made its findings as to the facts and its conclusion that respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent, Lasher's Silk Manufacturing Co., Inc., a corporation, its officers, representatives, directors, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of its product, ribbon seam binding material, whether sold under the brand name "Lasher's" or under any other name, in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from

Representing, directly or indirectly, that the number of yards or quantity of ribbon seam binding wound, contained or rolled on spools, cardboard rolls, or cards, or on any container in which said product is offered for sale or sold, is greater than the number of yards or quantity of such product actually contained thereon.

It is further ordered, That the respondent shall, within 60 days after the service upon 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 with this order.

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IN THE MATTER OF

DANIEL HECHTMAN AND STEVE MOORE, TRADING AS
H & H HAT COMPANY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF THE FEDERAL TRADE COMMISSION ACT AND THE WOOL PRODUCTS
LABELING ACT OF 1939

Docket 4633. Complaint, Jan. 15, 1942¹—Decision, June 23, 1942

Where two individuals, engaged in the manufacture of women's hats from felt and other materials including old, worn or previously used felt hat bodies purchased by them, which, after being cleaned, shaped and fitted with new trimming, had the appearance of new hats made from new felt; and in the interstate sale and distribution of said products—

- (a) Sold their said hats with no labeling, markings, or designation to indicate that they were in fact made from old, used hat bodies, to jobbers, wholesalers, and retailers by whom they were resold to the purchasing public without disclosure of aforesaid fact;

With result that a substantial portion of said public was misled into believing that products in question were made entirely from new materials, and in consequence, into purchase of substantial quantities thereof; and with further result of thereby placing in the hands of dealers a means of deceiving or misleading members of the public into the mistaken belief that they were, contrary to the fact, purchasing new hats; and

Where said individuals, engaged as aforesaid in manufacture and sale of hats, including many which were wool products within the meaning of the Wool Products Labeling Act in that they were composed in part of wool, reprocessed wool, or reused wool, and other fibers—

- (b) Sold said products misbranded in violation of act in question in that they did not have on or affixed thereto a stamp, tag, label, or other means of identification showing the percentages of the total fiber weight required by the statute with respect to wool, reprocessed wool, reused wool, nonwool fibers, and aggregates thereof, addition of nonfibrous loading, and proper identification of the manufacturer or seller, under act in question:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939.

Mr. L. E. Creel, Jr., for the Commission.

Mr. Irving Block, of Chicago, Ill., for respondents.

AMENDED COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Daniel Hechtman

¹ Amended.