case should not be placed on its own docket for review, and that pursuant to Section 3.21 of the Commission's Rules of Practice (effective August 1, 1963), the initial decision should be adopted and issued as the decision of the Commission:

It is ordered, That the initial decision of the hearing examiner shall, on the 6th day of August, 1965, become the decision of the Commission.

It is further ordered, That LaSalle Distributing Company, a partnership, and Eastern Adjustment Salvage Company, a partnership, and Harry Walkon, Morris Watnick, and Nathan Wigod, individually and as copartners trading and doing business as the above partnerships, shall, within sixty (60) days after service of this order upon them, file with the Commission a report in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.

IN THE MATTER OF

CHARLES NORRIS ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-982. Complaint, Aug. 6, 1965—Decision, Aug. 6, 1965

Consent order requiring the proprietors of a Dallas, Texas, retail carpet concern, to cease violating the Textile Fiber Products Identification Act by misbranding, falsely advertising, and deceptively guaranteeing their textile fiber products, namely floor coverings.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Charles Norris and Billie Norris, individually and as officers of Marsann Carpets, Inc., said individuals being hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification 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. Respondents Charles Norris and Billie Norris are officers of Marsann Carpets, Inc., a corporation organized under the laws of the State of Texas. During all times material to this proceeding they formulated, directed and controlled the acts and practices of Marsann Carpets, Inc., including the acts and practices hereinafter set forth. Marsann Carpets, Inc., at the present time is in bankruptcy. The office and principal place of business was located at 2024 Forth Worth Avenue, Dallas, Texas. Said corporation and individual respondents were engaged in the sale of carpeting to retail customers. Respondent Charles Norris is located at 3730 South Lancaster Street, Dallas, Texas. Respondent Billie Norris is located at 206 Conroe Street, Longview, Texas.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have engaged in the introduction, delivery for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products; as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were floor coverings which were falsely and deceptively advertised in the Dallas Times Herald, a newspaper published in the city of Dallas, State of Texas and having a wide circulation in said State and various other States of the United States, in the following respects:

Respondents in disclosing the fiber content information as to floor coverings containing exempted backings, fillings, or paddings, failed to set forth such fiber content information in such a manner

as to indicate that it applied only to the face, pile, or outer surface of the floor coverings and not to the exempted backings, fillings, or paddings.

PAR. 4. Certain of said textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were custom laid floor coverings sold from samples which floor coverings were not labeled to show any of the information required to be disclosed under Section 4(b) of such Act and were not covered by invoices correctly disclosing the aforesaid information under Rule 21(b) of the Rules and Regulations under such Act.

PAR. 5. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote, and assist directly or indirectly in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products, but not limited thereto, were floor coverings which were falsely and deceptively advertised in the Dallas Times Herald, a newspaper published in the city of Dallas, State of Texas and having a wide circulation in said State and various other States of the United States, in the following respects:

Respondents in disclosing the fiber content information as to floor coverings containing exempted backings, fillings, or paddings failed to set forth such fiber content information in such a manner as to indicate that it related only to the face, pile or outer surface of such floor coverings and not to the exempted backings, fillings, or paddings.

PAR. 6. In disclosing the required fiber content information in advertising certain textile fiber products, namely floor coverings, containing exempted backings, fillings, or paddings, respondents failed to set forth that such disclosure related only to the face, pile, or outer surface of the floor covering and not to the exempted backing, filling, or padding, in violation of Rule 11 of the Rules and Regulations promulgated under the Textile Fiber Products Identification Act.

PAR. 7. The acts and practices of respondents, as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

PAR. 8. In the course and conduct of their business respondents have caused their said textile products to be offered for sale in issues of the "Dallas Times Herald," a newspaper published in the City of Dallas, State of Texas and distributed in interstate commerce and have maintained a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 9. Respondents in the course and conduct of their business, as aforesaid, have made the following guarantee statements in newspaper advertising of their textile products, namely floor coverings:

* * *

10 Year Guarantee

* * *

PAR. 10. Through the use of said statements and representations set forth above and others similar thereto, but not specifically set out herein, respondents have represented, directly or indirectly, to the purchasing public that said floor coverings are unconditionally guaranteed for ten years.

PAR. 11. In truth and in fact said floor coverings are not in fact unconditionally guaranteed for ten years and the nature and extent of the guarantee and the manner in which the guarantor will perform was not set forth in connection therewith. Therefore, the statements and representations made by the respondents as hereinabove stated were and are false, misleading and deceptive.

PAR. 12. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and the respondents having been served with notice of said determination and with a copy of the

complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondents Charles Norris and Billie Norris are officers of Marsann Carpets, Inc., a corporation organized under the laws of the State of Texas. The office and principal place of business of said corporation, now in bankruptcy, was located at 2024 Fort Worth Avenue, Dallas, Texas. Respondent Charles Norris has mailing address at 3730 South Lancaster Street, Dallas, Texas, and respondent Billie Norris has mailing address at 206 Conroe Street, Longview, Texas.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Charles Norris and Billie Norris, individually and as officers of Marsann Carpets, Inc., and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product"

are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

1. Failing to set forth that the required disclosure as to the fiber content of floor coverings relates only to the face, pile, or outer surface of such products and not to exempted backing, filling or padding, when such is the case.

2. Failing to affix labels to such textile fiber products showing each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

B. Falsely and deceptively advertising textile fiber products by:

Making any representations, by disclosure or by implication, as to the fiber content of any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label or other means of identification under Section 4(b)(1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

C. Failing to set forth in disclosing the required fiber content information as to floor coverings containing exempted backings, fillings, or paddings, that such disclosure relates only to the face, pile or outer surface of such textile fiber products and not to the exempted backings, fillings, or paddings.

It is further ordered, That respondents Charles Norris and Billie Norris, individually and as officers of Marsann Carpets, Inc., and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of floor coverings or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act do forthwith cease and desist from:

Representing that any of respondents' products are guaranteed, unless the nature and extent of the guarantee, the identity of the guarantor, and the manner in which the guarantor will perform thereunder are clearly and conspicuously disclosed.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

ABBY KENT CO., INC., ET AL.

CONSENT ORDERS, OPINIONS, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(d) OF THE CLAYTON ACT

Docket C-328 et al. Complaint, March 1, 1963—Decision, Aug. 9, 1965

Consent orders requiring 55 wearing apparel manufacturers, respondents named in Appendix A attached hereto, Docket Numbers C-925 through C-979, to cease discriminating among their competing customers in the payment of advertising and promotional allowances, in violation of Sec. 2(d) of the Clayton Act; and setting effective date of 243 identical cease and desist orders previously issued, respondents named in Appendix B attached hereto.

COMPLAINT

The Federal Trade Commission, having reason to believe that each of the 55 respondents named in Appendix A, Docket Nos. 925-979 has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Section 13), and it appearing to the Commission that a proceeding by it in respect thereto is in the interest of the public, the Commission hereby issues its complaints stating its charges as follows:

PARAGRAPH 1. Each of the respondents is a corporation engaged in commerce, as "commerce" is defined in the amended Clayton Act, and sells and distributes its wearing apparel products from one State to customers located in other States of the United States. The sales of respondents in commerce are substantial.

PAR. 2. Each of the respondents in the course and conduct of its business in commerce paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services and facilities furnished by or through such customers in connection with their sale or offering for sale of wearing apparel products sold to them by respondent, and such payments were not made available on proportionally equal terms to all other customers competing with favored

customers in the sale and distribution of respondent's wearing apparel products.

PAR. 3. Included among, but not limited to, the practices alleged herein, each of the respondents has granted substantial promotional payments or allowances for the promoting and advertising of its wearing apparel products to certain department stores and others who purchase respondent's said products for resale. These aforesaid promotional payments or allowances were not offered and made available on proportionally equal terms to all other customers of respondent who compete with said favored customers in the sale of respondent's wearing apparel products.

PAR. 4. The acts and practices alleged in Paragraphs One through Three are all in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of each of the 55 respondents named in Appendix A, Docket Numbers C-925 through C-979, and subsequently having determined that complaints should issue, and each respondent having entered into an agreement containing an order to cease and desist from the practices being investigated and having been furnished a copy of a draft of complaint to issue herein charging it with violation of subsection (d) of Section 2 of the Clayton Act, as amended, and

Each of the respondents having executed the agreement containing a consent order which agreement contains an admission of all the jurisdictional facts set forth in the complaint to issue herein, and a statement that the signing of the said agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as set forth in such complaint, and also contains the waivers and provisions required by the Commission's rules; and

The Commission, having considered the agreements, hereby accepts the same, issues its complaints in the form contemplated by said agreements, makes the following jurisdictional findings, and enters the following orders:

1. Each of the respondents named in Appendix A is a corporation organized and existing under the laws of the various States of the United States, with its office and principal place of business located as listed in Appendix A.

2. The Federal Trade Commission has jurisdiction of the subject matter of these proceedings and of the respondents.

ORDER

It is ordered, That each of the respondents named in Appendix A, a corporation, its officers, directors, agents, representatives and employees, directly or through any corporate or other device, in the course of its business in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

(1) Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of respondent as compensation or in consideration for advertising or promotional services, or any other service or facility, furnished by or through such customer in connection with the handling, sale or offering for sale of wearing apparel products manufactured, sold or offered for sale by respondent, unless such payment or consideration is made available on proportionally equal terms to all other customers competing with such favored customer in the distribution or resale of such products.

It is further ordered, That each of the respondents named in Appendix A herein shall, within sixty (60) days after 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.

APPENDIX A

Following is a listing of the 55 respondents named in cease and desist orders (New York City unless otherwise indicated):

(C-925) Aansworth, Ltd., 1407 Broadway
(C-926) Guttman Knitwear Creations, Inc., 1407 Broadway
(C-927) Society Brand Division of Hart Schaffner & Marx, 36 S. Franklin St., Chicago, Ill.
(C-928) House of Jamison, Inc., 498 Seventh Ave.
(C-929) Alison Ayres, Inc., 1400 Broadway
(C-930) Alper-Schwartz Co., Inc., 530 Seventh Ave.
(C-931) Audrey Lee Classics, Inc., 1359 Broadway
(C-932) Stanley Blacker, Inc., 2200 Arch St., Philadelphia, Pa.
(C-933) Blouses By Vera, Inc., 417 Fifth Ave.
(C-934) Brentwood Sportswear Co., 19th and Allegheny, Philadelphia, Pa.
(C-935) Campus Casuals of California, 1200 S. Hope St., Los Angeles, Calif.
(C-936) Christian Dior-New York, 498 Seventh Ave.
(C-937) Arthur Cole Associates, Inc., 498 Seventh Ave.
(C-938) Davenshire, Inc., 930 S. Rolff St., Davenport, Iowa
(C-939) Diane Young Sportswear, Inc., 525 Seventh Ave.
(C-940) Handmacher-Vogel, Inc., 533 Seventh Ave.
(C-941) Huntington Mfg. Co., Inc., 312 W. Randolph St., Chicago, Ill.
(C-942) Joseph & Feiss Co., 2149 W. 53rd St., Cleveland, Ohio
(C-943) Junior Sophisticates Co., Inc., 498 Seventh Ave.
(C-944) Junior Theme, Inc., 1400 Broadway

APPENDIX A—Continued

(C-945) R. Kolodney & Co., Inc., 450 Capitol Ave., Hartford, Conn.
(C-946) Lamm Brothers, Inc., Gleneagles Court, Baltimore, Md.
(C-947) Leslie Fay, Inc., 1400 Broadway
(C-948) Linker & Herbert, Inc., 205 W. 39th St.
(C-949) New York Manufacturing Corp., 214 W. 39th St.
(C-950) Mam'selle Dress, Inc., 498 Seventh Ave.
(C-951) Marlene Industries Corp., 141 W. 36th St.
(C-952) Mister Pants, Inc., 550 Seventh Ave.
(C-953) Modelia, Inc., 205 W. 39th St.
(C-954) Old Colony Knitting Mills, Inc., 40 Glen Ave., Newton Centre, Mass.
(C-955) Pat Fashions, Inc., 1370 Broadway
(C-956) Petrocelli Clothes, Inc., 28 W. 23rd St.
(C-957) Publix Shirt Corp., 350 Fifth Ave.
(C-958) Queen Knitting Mills, Inc., 2701 N. Broad St., Philadelphia, Pa.
(C-959) Rosanna Knitted Sportswear, Inc., 1410 Broadway
(C-960) Russ Togs, Inc., 1372 Broadway
(C-961) H. A. Seinsheimer Co., 400 Pike St., Cincinnati, Ohio
(C-962) Shipmates Sportswear, Inc., 1307 Washington Ave., St. Louis, Mo.
(C-963) Jerry Silverman, Inc., 530 Seventh Ave.
(C-964) Smart-Maid Coat & Suit Corp., 545 Eighth Ave.
(C-965) Stern-Slegman-Prins Co., Inc., 3122 Gillham Plaza, Kansas City, Mo.
(C-966) Susan Laurie, Inc., 902 Broadway
(C-967) T.P. Industries, Inc., 1375 Broadway
(C-968) United Sheeplined Clothing Co., Inc., 804 Broadway, Long Branch, N. J.
(C-969) The Villager, Inc., 330 N. 12th St., Philadelphia, Pa.
(C-970) Westbury Fashions, Inc., 1400 Broadway
(C-971) M. Wile & Co., Inc., 77 Goodell St., Buffalo, N. Y.
(C-972) Zelinka-Matlick, Inc., 512 Seventh Ave.
(C-973) Mattique, Ltd., 1410 Broadway
(C-974) Sporteens, Inc., 1407 Broadway
(C-975) Gotham Knitting Mills, Inc., 1407 Broadway
(C-976) Beacon Frocks, Inc., 1385 Broadway
(C-977) Lady Carol Dresses, Inc., 1400 Broadway
(C-978) George Small, Inc., 1375 Broadway
(C-979) Boys Tone Shirt Co., Inc., 350 Fifth Ave.

Orders Setting Effective Date of Orders to Cease and Desist Respondents Named in Appendix B

The respondents and counsel supporting the complaints having submitted to the Commission as a proposed settlement of these proceedings agreements containing orders to cease and desist, and the Commission having entered its decision accepting said agreements and issuing its complaints and orders to cease and desist in conformity with the terms and conditions thereof; and

It is ordered, That the orders, Docket Nos. C-328 through C-490, issued on May 1, 1963, 62 F.T.C. 1248, and modified by an order of

June 28, 1963, which postponed the effective date until further order of the Commission, be, and they hereby are, effective on August 9, 1965;

It is ordered, That the orders, Docket Nos. C-540 through C-566, issued on August 12, 1963, 63 F.T.C. 443, be, and they hereby are, effective on August 9, 1965;

It is ordered, That the orders, Docket Nos. C-639 through C-671, issued on December 27, 1963, 63 F.T.C. 2067, be, and they hereby are, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-717, issued on February 27, 1964, 64 F.T.C. 1016, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-769, issued on June 30, 1964, 65 F.T.C. 1248, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-770, issued on June 30, 1964, 65 F.T.C. 1251, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-771, issued on June 30, 1964, 65 F.T.C. 1253, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-772, issued on June 30, 1964, 65 F.T.C. 1255, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-773, issued on June 30, 1964, 65 F.T.C. 1258, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-774, issued on June 30, 1964, 65 F.T.C. 1260, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-775, issued on June 30, 1964, 65 F.T.C. 1262, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-794, issued on July 17, 1964, 66 F.T.C. 182, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-803, issued on August 3, 1964, 66 F.T.C. 421, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-834, issued on September 18, 1964, 66 F.T.C. 780, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-835, issued on September 18, 1964, 66 F.T.C. 782, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-836, issued on September 18, 1964, 66 F.T.C. 784, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-841, issued on September 29, 1964, 66 F.T.C. 916, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. 8633,* issued on November 10, 1964, 66 F.T.C. 1103, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the orders, Docket Nos. 8625, 8626, and 8632, issued on January 18, 1965, 67 F.T.C. 62, be, and they hereby are, effective on August 9, 1965;

It is ordered, That the order, Docket No. C-882, issued on February 23, 1965, 67 F.T.C. 233, be, and it hereby is, effective on August 9, 1965;

It is ordered, That the order, Docket No. 8630, issued on April 9, 1965, 67 F.T.C. 449, be, and it hereby is, effective on August 9, 1965.

It is further ordered, That each respondent named in Appendix B herein shall, within sixty (60) days after 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.

Commissioner Elman dissenting.

APPENDIX B

Following is a listing of the 243 respondents cited in the previously issued but postponed orders which the Commission put into effect on this date (addresses are New York City unless otherwise stated):

(C-328) Abby Kent Co., Inc., 1400 Broadway
(C-329) Adelaar Bros., Inc., 525 7th Ave.
(C-330) All State Garment Corp., 205 W. 39th St.
(C-331) Alps Sportswear Manufacturing Co., Inc., 65 Bedford St., Boston, Mass.
(C-332) The Bernhard Altmann Corp., 100 W. 40th St.
(C-333) Aquascutum Imports, Inc., 2 E. 37th St.
(C-334) Aquascutum Co., Ltd., 2 E. 37th St.
(C-335) Andrew Arkin, Inc., 530 Seventh Ave.
(C-336) Aronoff & Richling, Inc., 1400 Broadway
(C-337) Cay Artley Apparel, Inc., 232 Levergood St., Johnstown, Pa.

*The Commission adopted the initial decision of the hearing examiner in this matter.

APPENDIX B—Continued

(C-338) S. Augstein & Co., 15 - 58 127th St., College Point, Long Island, N. Y.
(C-339) Ballantyne Sweaters, Ltd , 40 E. 34th St.
(C-340) Barmon Brothers Co., Inc., 893 Broadway, Buffalo, N. Y.
(C-341) Ben Barrack Dresses, Inc., 498 Seventh Ave.
(C-342) Ben Barrack Petites, Inc., 498 Seventh Ave.
(C-343) The Beaumart Co., 498 Seventh Ave.
(C-344) Beaver Shirt Manufacturing Co., Inc., 350 Fifth Ave.
(C-345) Beldoch Popper, Inc., 1410 Broadway
(C-346) Bermuda Knitwear Corp., 1410 Broadway
(C-347) Biltwell Co., Inc., 1128 Washington Ave., St. Louis, Mo.
(C-348) Biltwell Slacks, Inc., 1324 Santee, Los Angeles, Calif.
(C-349) Blairmoor Knitwear Corp., 33-00 Northern Blvd., Long Island City, N. Y.
(C-350) Braemar Knitwear (U.S.A.) Ltd., 1407 Broadway
(C-351) Sue Brett, Inc., 1400 Broadway
(C-352) British Vogue, Inc., 1410 Broadway
(C-353) Robert Bruce, Inc., 2867 E. Allegeheny Ave., Philadelphia, Pa.
(C-354) Candy Frocks, Inc., 501 Seventh Ave.
(C-355) Streamline Garment Corp., 530 W. 1st St., Greensburg, Ind.
(C-356) Casualcraft, Inc., 350 Fifth Ave.
(C-357) David A. Church Co., Inc., 47 Greenpoint Ave., Brooklyn, N. Y.
(C-358) Climatic, Inc., 1 Jackson Place, Yonkers, N. Y.
(C-359) Martha Clyde, Inc., 525 Seventh Ave.
(C-360) Joseph H. Cohen, Inc., 71 Fifth Ave.
(C-361) Cotton Club Frocks, Inc., 275 Seventh Ave.
(C-362) Country Set, Inc., 1520 Washington Ave., St. Louis, Mo.
(C-363) Carol Crawford, Inc., 1400 Broadway
(C-364) David Crystal, Inc., 498 Seventh Ave.
(C-365) Dalton of America, Inc., 6611 Euclid Ave., Cleveland, Ohio
(C-366) Darlene Knitwear, Inc., North Commercial St., Manchester, N. H.
(C-367) H. Daroff & Sons, Inc., 2300 Walnut St., Philadelphia, Pa.
(C-368) Davidow Suits, Inc., 550 Seventh Ave.
(C-369) Defiance Manufacturing Co., Inc., 350 Fifth Ave.
(C-370) Jacques deLoux, Inc., Sellersville, Pa.
(C-371) Derby Sportswear, Inc., 1333 Broadway
(C-372) Donmoor-Isaacson, 1115 Broadway
(C-373) Donwood, Ltd., 1407 Broadway
(C-374) Dorset Knitwear, Ltd., 381 Park Avenue South
(C-375) Dotti Original, Inc., 525 Seventh Ave.
(C-376) Eagle Clothes, Inc., 1107 Broadway
(C-377) Eagle-Freedman-Rodelheim Co., 5th & Juniper Sts., Quakertown, Pa.
(C-378) Elder Manufacturing Co., 13th & Lucas Ave., St. Louis, Mo.
(C-379) Esquire Sportswear Mfg. Co., 43 W. 23rd St.
(C-380) Excello Shirts, Inc., 390 Fifth Ave.
(C-381) Exmoor Knitwear Co., Inc., 40 Spring St., Haverstraw, N. Y.
(C-382) Stanley M. Feil, Inc., 2073 E. Fourth St., Cleveland, Ohio
(C-383) Fordham-Bardell Shirt Corp., 212 Fifth Ave.
(C-384) French Knitwear Co., Inc., 1407 Broadway
(C-385) Gant of New Haven, Inc., 162 James St., New Haven, Conn.

APPENDIX B—Continued

(C-386) Garland Knitting Mills, 117 Bickford St., Jamaica Plain, Mass.
(C-387) Jerry Gilden Fashions, Inc., 498 Seventh Ave.
(C-388) Globe Knitwear Co., Inc., 831 Arch St., Philadelphia, Pa.
(C-389) Gordon & Ferguson Co., 250 E. Fifth St., St. Paul, Minn.
(C-390) Grunwald-Marx, 932 Wall St., Los Angeles, Calif.
(C-391) Harper Shirt Co., Inc., 350 Fifth Ave.
(C-392) B. W. Harris Manufacturing Co., 396 Sibley St., St. Paul, Minn.
(C-393) Haspel Brothers, Inc., 2527 St. Bernard St., New Orleans, La.
(C-394) Hayette, Inc., 498 Seventh Ave.
(C-395) Haymaker Sports, Inc., 498 Seventh Ave.
(C-396) Helga, 722 Los Angeles, St., Los Angeles, Calif.
(C-397) Highlander Sportswear, Inc., 135 Monroe St., Newark, N. J.
(C-398) Hochenberg & Gelb, Inc., 915 Broadway
(C-399) Jane Holly, Inc., 525 Seventh Ave.
(C-400) Henry I. Siegel Co., Inc., 16 E. 34th St.
(C-401) Hortex Manufacturing Co., Inc., 100 S. Cotton St., El Paso, Tex.
(C-402) House of Perfection, Inc., 45 W. 36th St.
(C-403) House of Worsted-Tex, Inc., 2300 Walnut St., Philadelphia, Pa.
(C-404) F. Jacobson & Sons, Inc., 390 Fifth Ave.
(C-405) Juniorite, Inc., 1407 Broadway
(C-406) Kadet, Kruger & Co., 216 W. Adams St., Chicago, Ill.
(C-407) The Kaynee Co., Greenville, S. C.
(C-408) William B. Kessler, Inc., Pleasant and Tilton Sts., Hammonton, N. J.
(C-409) Lackawanna Pants Manufacturing Co., Inc., 300 Brook St., Scranton, Pa.
(C-410) Lawrence of London, Ltd., 512 Seventh Ave.
(C-411) The H. D. Lee Co., Inc., 117 W. 20th St., Kansas City, Mo.
(C-412) Rhoda Lee, Inc., 525 Seventh Ave.
(C-413) Lehigh Trouser Co., 514 S. Main St., Wilkes-Barre, Pa.
(C-414) Levin & Co., Inc., 1350 Broadway
(C-415) Londontown Manufacturing Co., 3600 Clipper Mill Road, Baltimore, Md.
(C-416) Loomtogs, Inc., 1410 Broadway
(C-417) MacShore Classics, Inc., 1410 Broadway
(C-418) Majestic Specialties, Inc., 340 Claremont Ave., Jersey City, N. J.
(C-419) Major Blouse Co., Inc., 525 Seventh Ave.
(C-420) The Majer Brand Co., Inc., 200 Fifth Ave.
(C-421) Masket Bros. Sport Wear, Inc., 498 Seventh Ave.
(C-422) Lynne Manufacturing Co., 27-01 Bridge Plaza N., Long Island City, N. Y.
(C-423) Abby Michael, Ltd., 1407 Broadway
(C-424) Michaels Stern & Co., Inc., 87 N. Clinton Ave., Rochester, N. Y.
(C-425) Miller Manufacturing Co., Inc., 915 Main St., Joplin, Mo.
(C-426) Morrison Knitwear, Inc., 130 Palmetto St., Brooklyn, N. Y.
(C-427) Nelly De Grab, 533 Seventh Ave.
(C-428) Nelly Don, Inc., 3500 E. 17th St., Kansas City, Mo.
(C-429) Nelson-Caine, 1400 Broadway
(C-430) Newman & Newman, 11 E. 26th St.
(C-431) Palm Beach Co., 426 E. 4th St., Cincinnati, Ohio
(C-432) Park-Storyk Corp., 1407 Broadway

APPENDIX B—Continued

(C-433) Pattullo-Jo Copeland, Inc., 498 Seventh Ave.
(C-434) Pauker Boyswear Corp., 25 W. 31st St.
(C-435) Peerless Robes and Sportswear, Inc., 350 Fifth Ave.
(C-436) Fashions by Blauner, Inc., 134 W. 37th St.
(C-437) Pickwick Knitting Mills, Inc., 49 Junious St., Brooklyn, N. Y.
(C-438) Plymouth Manufacturing Co., 500 Harrison Ave., Boston, Mass.
(C-439) Milton Saunders Co., 525 Seventh Ave.
(C-440) Princess Peggy, Inc., 1001 S. W. Adams St., Peoria, Ill.
(C-441) Rabhor Robes, Inc., South Norwalk, Conn.
(C-442) Ratner Manufacturing Co., 730 Thirteenth St., San Diego, Calif.
(C-443) Rona Dresses, 1400 Broadway
(C-444) S. Rudofker's Sons, Inc., 22nd & Market Sts., Philadelphia, Pa.
(C-445) Rugby Knitting Mills, Inc., 1490 Jefferson Ave., Buffalo, N. Y.
(C-446) Sagner, Inc., South Wisner St., Frederick, Md.
(C-447) Savoy Knitting Mills Corp., 801 Meadow St., Allentown, Pa.
(C-448) Abe Schrader Corp., 530 Seventh Ave.
(C-449) Alfred Shapiro, Inc., 240 Madison Ave.
(C-450) Shelby Manufacturing Co., 1350 Broadway
(C-451) M & D Simon Co., 700 St. Clair Ave., West, Cleveland, Ohio
(C-452) Miss Smart Frocks, Inc., 501 Seventh Ave.
(C-453) Smartee, Inc., 45 E. 12th St.
(C-454) Sorority Frocks, Inc., 120 W. 28th St.
(C-455) Sport Kraft, Inc., 413 W. Third St., Lewes, Del.
(C-456) Sportsville Men's Wear, Inc., 16 E. 34th St.
(C-457) Sigma Fashions, Inc., 1400 Broadway
(C-458) Talbott, Inc., 1407 Broadway
(C-459) Tellshire, Inc., 270 W. 38th St.
(C-460) Thomson Co., 405 Park Ave.
(C-461) Timely Clothes, Inc., 1415 Clinton Ave., North, Rochester, N. Y.
(C-462) Towncliffe, Inc., 512 Seventh Ave.
(C-463) Triton Mfg. Co., Inc., 18 Pocasset St., Fall River, Mass.
(C-464) Troy Shirt Makers Guild, Inc., 71 Lawrence St., Glen Falls, N. Y.
(C-465) Usona Shirt Co., 230 Fifth Ave.
(C-466) Weber and Lott, Inc., 525 Seventh Ave.
(C-467) Weber Originals, Inc., 525 Seventh Ave.
(C-468) Margo Walters, Inc., 1400 Broadway
(C-469) Wentworth Manufacturing Co., Blanding St., Lake City, S. C.
(C-470) White Stag Manufacturing Co., 5100 S. E. Harney Drive, Portland, Oreg.
(C-471) Wolfson & Greenbaum, Inc., 132 W. 36th St.
(C-472) Wright Manufacturing Co., Toccoa, Ga.
(C-473) Ben Zuckerman, Inc., 512 Seventh Ave.
(C-474) The Enro Shirt Co., Inc., 4300 Leghorn Drive, Louisville, Ky.
(C-475) Famous-Sternberg, Inc., 950 Poeyfarre St., New Orleans, La.
(C-476) Glen Mfg., Inc., 320 E. Buffalo St., Milwaukee, Wis.
(C-477) Ilene Manufacturing Co., Inc., 525 Seventh Ave.
(C-478) Jolee, Inc., 250 W. 39th St.
(C-479) M. J. Levine, Inc., 250 W. 39th St.
(C-480) Kelita, Inc., 1407 Broadway
(C-481) Malcolm Kenneth Co., 11 Leon St., Boston, Mass.

APPENDIX B—Continued

(C-482) Kimberly Knitwear, Inc., 1410 Broadway
(C-483) Leathermode Sportswear, Inc., 357 Kossuth St., Bridgeport, Conn.
(C-484) Mode de Paris, Inc., 58 Second St., San Francisco, Calif.
(C-485) New Era Shirt Co., 316 N. 18th St., St. Louis, Mo.
(C-486) Raab-Meyerhoff Co., 350 Fifth Ave.
(C-487) Ronnie Fashions, Inc., 1400 Broadway
(C-488) M. C. Schrank Co., 17-21 Broad St., Bridgeton, N. J.
(C-489) Norman Wiatt Co., 124 E. Olympic Blvd., Los Angeles, Calif.
(C-490) Wonderknit Corp., 112 W. 34th St.
(C-540) Baracuta, Inc., 16 E. 40th St.
(C-541) Blue Jeans Corp., 130 W. 34th St.
(C-542) College-Town Sportswear, 35 Morrisey Blvd., Boston, Mass.
(C-543) Davis Sportswear Co., Inc., 5 Franklin St., Lawrence, Mass.
(C-544) Gail Byron Frocks Co., Inc., 463 Seventh Ave.
(C-545) Girltown, Inc., 35 Morrisey Blvd., Boston, Mass.
(C-546) C. F. Hathaway Co., 10 Water St., Waterville, Me.
(C-547) Junior Accent, Inc., 498 Seventh Ave.
(C-548) Century Sportswear Co., Inc., 20 Boylston St., Boston, Mass.
(C-549) Jonathan Logan, Inc., 3901 Liberty Ave., North Bergen, N. J.
(C-550) The Manhattan Shirt Co., 1271 Avenue of the Americas.
(C-551) Novelty Veiling Co., Inc., 675 Sixth Ave.
(C-552) Petite Lady Dress Co., Inc., 1374 Broadway
(C-553) Phillips-Van Heusen Corp., 417 Fifth Ave.
(C-554) Rosecrest, Inc., 24 Binford St., Boston, Mass.
(C-555) Boris Smoler & Sons, Inc., 3021 N. Pulaski, Chicago, Ill.
(C-556) Alice Stuart, Inc., 525 Seventh Ave.
(C-557) Sunnyvale, Inc., 1350 Broadway
(C-558) Tanner of North Carolina, Inc., Rutherfordtown, N. C.
(C-559) Warshauer and Franck, Inc., 75 Kneeland St., Boston, Mass.
(C-560) Westover Fashions, Inc., 1400 Broadway
(C-561) Boston Maid, Inc., 560 Harrison Ave., Boston, Mass.
(C-562) Devonbrook, Inc., 1400 Broadway
(C-563) R. and M. Kaufman, Inc., 41 Holbrook St., Aurora, Ill.
(C-564) Linsk of Philadelphia, Inc., 3111 W. Allegheny Ave., Philadelphia, Pa.
(C-565) Modern Juniors, Inc., 1407 Broadway
(C-566) D. F. Rodgers Mfg. Co., Inc., 1350 Broadway
(C-639) Adele Fashions, Inc., 1407 Broadway
(C-640) Blume Knitwear, Inc., 30-02 48th Ave., Long Island City, N. Y., and a subsidiary at the same address, Impromptu Casuals, Inc.
(C-641) Cluett, Peabody & Co., Inc., 530 Fifth Ave.
(C-642) Country Tweeds, Inc., 250 W. 39th St.
(C-643) Litt-Gluck Co., 111 W. 19th St.
(C-644) Sy Frankl, Inc., 1350 Broadway
(C-645) Glensder Corp., 417 Fifth Ave.
(C-646) The Hadley Corp., Weaverville, N. C.
(C-647) Larry Levine, Inc., 252 W. 37th St.
(C-648) Lord Jeff Knitting Co., Inc., 58-30 64th St., Maspeth, N. Y.
(C-649) Miss Maude, Inc., 1311 Park Ave., Hoboken, N. J.
(C-650) Mayflower Dress Co., Inc., 1350 Broadway
(C-651) Munsingwear, Inc., 718 Glenwood Ave., Minneapolis, Minn.

APPENDIX B—Continued

(C-652) Puritan Skirt & Dress Co., Inc., 144 Moody St., Waltham, Mass.
(C-653) The Puritan Sportswear Corp., 813 25th St., Altoona, Pa.
(C-654) Rainfair, Inc., 1501 Albert St., Racine, Wisc.
(C-655) Sportswear Corporation of America, 6516 Page Blvd., St. Louis.
(C-656) Serbin, Inc., 1280 S.W. First St., Miami, Fla.
(C-657) Sir James, Inc., 910 S. Los Angeles St., Los Angeles, Calif.
(C-658) Kandahar Sportswear Co., Inc., 8 W. 30th St.
(C-659) Bobbie Brooks, Inc., 3839 Kelley Ave., Cleveland, Ohio
(C-660) Gay Gibson, Inc., 2617 Grand Ave., Kansas City, Mo.
(C-661) The Grove Co., 8300 Manchester Road, St. Louis, Mo.
(C-662) Irwill Knitwear Corp., 1407 Broadway
(C-663) Kathi Originals, Inc., 1350 Broadway
(C-664) Lofties Knitting Mills, Inc., 85 DeKalb Ave., Brooklyn, N. Y.
(C-665) Mademoiselle Modes, Inc., 520 Eighth Ave.
(C-666) Donkenny, Inc., 1407 Broadway, and a subsidiary at the same address, Melray Blouse Co., Inc.
(C-667) Albert Rosenblatt & Sons, Inc., 1400 Broadway
(C-668) Economy Blouse Corp., 1407 Broadway
(C-669) E. D. Winter & Co., Inc., 525 Seventh Ave.
(C-670) Jack Winter, Inc., 233 E. Chicago St., Milwaukee, Wisc.
(C-671) Young Timers, Inc., 520 Eighth Ave.
(C-717) L'Aiglon Apparel, Inc., Fifteenth and Mount Vernon Sts., Philadelphia, Pa.
(C-769) The Alligator Co., 4153 Bingham Ave., St. Louis, Mo.
(C-770) Sportswear By Revere, Inc., 11 Lake St., Wakefield, Mass.
(C-771) Sportempos, Inc., 525 Seventh Ave.
(C-772) Teal Traina, Inc., 550 Seventh Ave.
(C-773) Max Wiesen & Sons, Inc., 463 Seventh Ave.
(C-774) Lanz Originals, Inc., 6150 Wilshire Blvd., Los Angeles, Calif.
(C-775) Smoler Bros., Inc., 2300 Wanansia Ave., Chicago, Ill.
(C-794) Fashion Park, Inc., 432 Portland Ave., Rochester, N. Y.
(C-803) National Togs, Inc., 1370 Broadway
(C-834) Cotton City Wash Frocks, Inc., 1350 Broadway
(C-835) Premier Knitting Co., Inc., 1410 Broadway
(C-836) Regal Knitwear Co., Inc., 1333 Broadway
(C-841) Chestnut Hill Industries, Inc., 2025 McKinley St., Hollywood, Fla.
(C-882) The Kramer Co., 1405 Broadway
(D. 8625) Branford Co., Inc., 1410 Broadway
(D. 8626) Brownie Knitting Mills, Inc., 120 E. 23rd St.
(D. 8630) Nancy Greer, Inc., 1400 Broadway
(D. 8632) Barclay Knitwear Co., Inc., 1239 Broadway
(D. 8633) Boepple Sportswear Mills, Inc., 1410 Broadway

Opinion Accompanying Order Setting Effective Date of Orders to Cease and Desist

In early 1961, following the receipt of many complaints from small apparel retailers, small manufacturers and apparel salesmen, the Commission addressed Orders to File Special Reports to some

232 of the nation's leading buying offices and chain department and specialty store complexes. The orders required the buyers to submit, among other things, the names of apparel suppliers who had granted advertising and promotional allowances during a given twelve-month period, together with the amounts and purposes of the payments. The orders were limited specifically to outerwear categories of "women's and misses' dresses, suits, coats, sweaters and blouses and men's and boys' suits, coats, slacks, shirts and sweaters," the areas in which the vast majority of complaints had been submitted.

A tabular sheet for each supplier was prepared from the buyers' Special Reports. They indicated the customers each favored and the amounts paid. In February 1962 the Commission unanimously decided to address Orders to File Special Reports to the 250 sellers who granted the largest amounts of allowances to the greatest number of buyers. Later that year when it was discovered that certain significant sellers had been omitted, some 60 additional orders were transmitted.

A majority of the Special Reports filed provided sufficient documentation to give the Commission reason to believe that violations of Section 2(d) of the amended Clayton Act existed. Based upon the information provided, the Commission transmitted to 248 firms a form complaint and order, an agreement containing consent order and a letter explaining that the agreement, if accepted, would dispose of the matter without a formal proceeding.

On May 1, 1963, 163 consent orders were issued requiring apparel manufacturers to stop discriminating among their competing customers in the payment of advertising and promotional allowances. The orders required each respondent to file a report of compliance within 60 days. However, on June 28, 1963, a modification was issued postponing until further order the effective date of all outstanding orders. That action was precipitated by the fact that 85 suppliers, including several industry leaders, had not accepted the opportunity to sign a consent agreement, and the Commission wished "to proceed simultaneously, insofar as practicable against all of the large manufacturers and distributors" of wearing apparel.

During fiscal 1964, Orders to File Special Reports were sent to some 112 additional apparel producers, including parent corporations of previously investigated subsidiaries; leading manufacturers who had not been included in the buyers' Special Reports, but whose size compelled investigation of their promotional activities; significant suppliers whose payments were not as great as those

included in the first group, but who were apparently continuing to grant discriminatory allowances, and several companies against whom formal and informal complaints had been received.

From late 1963 through the first months of 1965, the Commission continued to receive signed agreements from apparel manufacturers.[1] When its consent was accepted, the manufacturer was notified that the effective date of the Commission's order was postponed until further order.

Today, the Commission has accepted 55 additional recently received agreements, and orders have issued against each consenter. This action brings the total apparel orders to 298.[2]

After having given notice over two years ago that it intended to do so, the Commission is making all outstanding orders against apparel manufacturers effective on this date. For the most part this phase of the wearing apparel inquiry is terminated. The few unresolved matters do not involve suppliers who constitute a force capable of competitively disadvantaging those industry members who will be under order.[3]

The Commission's action is bottomed upon an accumulation of many years experience in the apparel industry. It is felt that compliance with Section 2(d) will be most effectively obtained through combining enforceable orders against manufacturers with aggressive litigation against selected buyers who have knowingly induced or received discriminatory allowances.

The Commission has continuously scrutinized the anti-competitive activities of buyers and it will continue to do so. A large portion of the staff has been assigned to assemble evidence concerning acts of inducement or receipt of payments for promoting a number of products by several large buying complexes. It is anticipated that the resolution of those matters, necessarily only representative, will consume far more staff time and Commission funds than the nearly 300 uncontested supplier consent agreements and orders.

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[1] Out of the 85 matters remaining open on May 1, 1963, only six are currently active. Two of that number have necessitated formal evidentiary hearings (House of Lord's, Inc., Docket No. 8631, and Rabiner & Jontow, Inc., Docket No. 8629).

[2] Some 110 matters have been closed for an assortment of reasons such as "insubstantiality of violation"; "insufficient evidence of a violation"; "out of business"; "consolidation with the file of a parent or subsidiary"; "transfer of ownership and control," and the like.

[3] While it is certainly true that department and specialty store chains to a large extent have been responsible for discriminatory allowances in the industry, it is also true that in many instances the discriminations have been initiated by the manufacturers who have signed consent agreements. They did so to the detriment of their small retail customers, their salesmen, who often were forced to distribute earned commissions for cooperative advertising, and their very small, single product manufacturing competitors.

The decision to issue enforecable cease-and-desist orders was not made without due consideration of other enforcement methods. Trade Practice Conference Rules issued in the apparel industry had failed to reduce discriminatory advertising allowances significantly.[4] The several cases brought against apparel suppliers similarly had no broad salutary effects.[5] Nor did the Commission's Guides.[6]

The Trade Regulation Rule procedure has been proposed in only one Section 2(d) matter.[7] However, no rule issued, for the procedure did not appear to be a very practical law enforcement method in the luggage industry where, as in apparel, the discriminations were sporadic and secretive.[8]

The suggestion that the Commission should abdicate its enforcement responsibility to another agency is completely unacceptable. The likelihood of obtaining injunctive relief against a supplier who has not been specifically found to have violated an act and an order seems highly remote, particularly in a Section 2(d) matter which requires no showing of injury. Moreover, it is questionable whether the courts would take jurisdiction even in the unlikely event that the Office of the United States Attorneys was inclined to assist the Commission.[9]

Fear that the issuance of effective orders will result in the discontinuance of cooperative advertising by members of the industry is unfounded. Out of the 132 manufacturers submitting compliance reports in response to the Commission's order of May 1, 1963, only three small suppliers, whose sales were each less than $1 million, indicated they intended to abandon widely distributed cooperative advertising.[10]

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[4] *Popular Priced Dress Manufacturing Industry*, 16 C.F.R. 125; *House Dress and Wash Frock Manufacturing Industry*, 16 C.F.R. 126; *Infants' and Children's Knitted Outerwear Industry*, 16 C.F.R. 137; *Corset, Brassiere, and Allied Products Industry*, 16 C.F.R. 21.

[5] *Kay Windsor Frocks, Inc.*, 51 F.T.C. 89 (1954); *Jonathan Logan, Inc.*, 51 F.T.C. 1229 (1955); *Henry Rosenfeld, Inc.*, 52 F.T.C. 1535 (1956); *Jantzen, Inc.*, 55 F.T.C. 1065 (1959); *Day's Tailor-D Clothing, Inc.*, 55 F.T.C. 1584 (1959).

[6] *Guides for Advertising Allowances and Other Merchandising Payments and Services*, adopted May 19, 1960.

[7] *Atlantic Products Corp.*, F.T.C. Docket 8513 (Opinion accompanying Order Modifying and Adopting Hearing Examiner's Findings of Fact and Conclusions of Law, and Deferring Other Relief, issued Dec. 13, 1963) [63 F.T.C. 2237].

[8] *Atlantic Products Corp.*, F.T.C. Docket 8513 (Final Order Directing Filing of Compliance Report, issued Jan. 26, 1965) [67 F.T.C. 84].

[9] *Marquette Cement Mfg. Co.* v. *Federal Trade Commission*, 147 F.2d 589, 593 (7th Cir. 1945).

[10] Mr. Edward C. Crimmins, director of planning and sales for the Advertising Checking Bureau reported that "approximately 50 firms that signed consent orders have availed themselves of our facilities to get help in planning their future course of action. Exactly one firm has decided to drop co-op; all the others are setting up formal programs, and, almost without exception, they will be spending more—and considerably more—than they did previously." Quoted in Day, "Why Co-op Advertising Will Surge Ahead," *Sales Management*, Oct. 4, 1963, p. 48.

The apparel investigation included the nation's most significant, large, and, in many cases, multiproduct, outerwear manufacturers.[11]

The Commission does not claim to have accomplished a universe. It is certainly possible that complaints will be received concerning competing apparel manufacturers thus far not under order, for our history is replete with instances of continued Section 2 violations by industry members, no matter how many were enjoined.[12] If it develops that certain suppliers are accused, apparently justifiably, of engaging in discriminatory advertising practices, they can be transmitted Orders to File Special Reports, and invited to join their associates in consent settlements. In such fashion, complete industry compliance may perhaps be achieved at minimal public expense.

DISSENTING STATEMENT

AUGUST 9, 1965

BY ELMAN, *Commissioner:*

Re: *Wearing Apparel Orders*

I must respectfully dissent from the Commission's action in making final, at this time and without any prior notice to the industry or the affected firms, the 298 consent orders to cease and desist which it has obtained from wearing apparel manufacturers. The Commission's action seems to me precipitate, unwise, and inequitable.

I

Four years ago, the Federal Trade Commission conducted an investigation which revealed that the practice of suppliers in granting discriminatory and illegal advertising allowances to their customers was rife in the wearing apparel industry. On the selling side the industry is fragmented and decentralized, consisting of a great many manufacturers (estimates run as high as 30,000) most of

[11] An exhaustive study of the apparel inquiry indicated that for the most part those companies which were investigated were industry leaders having annual sales of $2 million or more. The significant industry members who were excluded from the inquiry had not evidenced violations of law during the investigative period. They were thought to have engaged in buyer advertising without discriminating or to have done no cooperative advertising whatsoever.

[12] For example, the discriminatory promotional practices of the members of the cosmetic industry have been challenged continuously since the early days of the Robinson-Patman Act. *Luxor, Ltd.*, 31 F.T.C. 658 (1940); *Elizabeth Arden, Inc.*, 39 F.T.C. 288 (1944); *Hudnut Sales Co., Inc.*, 52 F.T.C. 1064 (1956); *Helena Rubinstein, Inc.*, 52 F.T.C. 1267 (1956); *Yardley of London, Inc.*, 52 F.T.C. 1086 (1956); *Elmo, Inc.*, 52 F.T.C. 929 (1956); *Revlon Products Corp.*, 53 F.T.C. 127 (1956); *Bourjois, Inc.*, 53 F.T.C. 751 (1957); *Shulton, Inc.*, 59 F.T.C. 106 (1961), F.T.C. Docket 7721, July 22, 1964 [66 F.T.C. 184]; *Max Factor & Co.*, F.T.C. Docket 7717, July 22, 1964 [66 F.T.C. 184]; *Chemway Corp.*, F.T.C. Docket 8502, July 27, 1964; *Hazel Bishop, Inc.*, F.T.C. Docket 8504, July 27, 1964 [66 F.T.C. 252]; *Chesebrough-Ponds, Inc.*, F.T.C. Docket 8491, July 27, 1964 [66 F.T.C. 252]; *Lanolin Plus, Inc.*, F.T.C. Docket 7722, July 31, 1964 [66 F.T.C. 326]; *Nestle-Lemur Co.*, F.T.C. Docket 7716, July 31, 1964 [66 F.T.C. 326].

whom are small businessmen operating on a narrow margin of profit. On the buying side the industry is more concentrated, and there are powerful buyers—the large department store chains. In view of the disparity of bargaining power between sellers and buyers in this industry, it is not surprising that some large buyers may have been able to obtain discriminatory concessions, in the form of illegal advertising payments, from many sellers.

On October 17, 1962, the Commission held a public conference, at which representatives of the industry appeared, to help decide how best to cope with the enormous practical problems of law enforcement posed by an industry where hundreds, and perhaps thousands, of firms were apparently violating the law. A number of remedial approaches were suggested. The Commission determined to follow its traditional approach of issuing individual complaints and cease and desist orders, in the hope that most of the law violators in the industry would accept consent orders.

Commissioner Higginbotham and I, as explained in our statement of January 2, 1963, disagreed with this approach. We believed that trying to put everybody in the industry under a cease and desist order would prove unwise and impractical, and that instead an administrative approach should be taken to the unique enforcement problems raised by the wearing apparel investigation. Among other possibilities, we suggested that the Commission should set a target date for simultaneous, uniform, and industry-wide discontinuance of unlawful promotional allowances and invite the members of the industry to submit revised cooperative advertising plans to the Commission, before the target date, for advice on their legality.

The first batch of complaints was sent at the end of 1962 to 248 wearing apparel manufacturers, charging violations of Section 2(d) of the Clayton Act. Each firm was invited to avoid litigation by executing a consent agreement attached to the complaint, and was advised that all consent orders against wearing apparel companies would become effective simultaneously on July 1, 1963. Later, however, the Commission announced that it was postponing the effective date indefinitely. During 1963, 19 more complaints, with consent agreements attached, were sent out. Early in 1965 the Commission sent out another batch of 62. And just the other day the Commission decided to send out two more complaints. Whatever the Commission may say, we cannot be sure that no more complaints will be issued. It may be significant in this connection that no complaint has yet been issued against any of the department store chains that allegedly received unlawful advertising payments

from wearing apparel manufacturers, although the knowing inducement of payments violative of Section 2(d) of the Clayton Act is an unfair method of competition, forbidden by Section 5 of the Federal Trade Commission Act. See, e.g., *Grand Union Co.* v. *F.T.C.*, 300 F.2d 92 (2d Cir. 1962).

It has become apparent that the alleged violations of Section 2(d) in the wearing apparel industry are not limited to 248 suppliers, as the staff originally advised us, or 267, or 329, or even 331; and it is not likely that making orders final against 298 members of the industry will enable the Commission to close its books on 2(d) violations by wearing apparel manufacturers. Very probably, the latest firms that have signed consent orders or received complaints will complain to the Commission about violations by their competitors, just as the earlier respondents did, and thus a new cycle of investigation and complaint may soon be under way; this process may receive an additional stimulus as a result of the Commission's action in making the outstanding orders final. How many more violators of Section 2(d) there are in this industry (which new firms are constantly entering), and how long it will take to bring them under order, I do not know. It would not surprise me if there turned out to be scores, if not hundreds, of additional violators and if it took many years to bring most of them under order. We were recently advised that the Commission has failed even to investigate a number of the very largest wearing apparel manufacturers, all with annual sales of more than $10 million. This omission has not been explained. Hundreds of smaller firms have not been investigated, even though many of their competitors, firms no larger than they, have been served with complaints by the Commission.

But until cease and desist orders against all of the substantial violators, at least, in the industry are obtained, I cannot agree that the Commission is justified in making final the consent orders it has obtained from cooperating suppliers. The Commission is not obliged to proceed against all of the firms in an industry, even all competing firms, before it may enter final orders against one or a few. *Moog Industries, Inc.* v. *F.T.C.*, 355 U.S. 411, 413. But here there are very special circumstances. The Commission engaged in the most assiduous solicitation of consent settlements by suppliers to whom complaints were sent. By announcing that all orders would become effective simultaneously, and later by postponing their effective date indefinitely, the Commission virtually assured the consenting suppliers that no order would become effective until all of the industry members who were violating the

law, including the non-consenters who chose to litigate, were under order. To obtain consent orders, and thereby avert an avalanche of litigation, the Commission in effect promised that the consent-settlement method would be used to achieve the uniform, equitable, and simultaneous elimination of violations in the industry. I question, therefore, whether the Commission should, without prior notice, make these orders final against the consenting suppliers while many of their competitors, still not under investigation or order, can continue to violate the law with impunity. The unfairness of such action is aggravated by the fact that many of the firms sued by the Commission are still not subject to any order. Thus the Commission is penalizing just those firms that have been most cooperative with it. Cf. *Bernard Lowe Enterprises, Inc.*, 59 F.T.C. 1485, 1486-87 (dissenting opinion).

Besides the equities of the matter, I am concerned with whether entry of cease and desist orders is an effective method of preventing discriminatory advertising allowances, even by the firms subject to the orders, where many of their competitors are not under order and continue to make such payments. The effect of orders in these circumstances may simply be to divert business to the firms not under order. If this is the result, powerful buyers in this industry will continue to enjoy unimpaired an unfair advantage over weaker competitors, notwithstanding the entry of orders against some suppliers. Further, since the defense of good faith meeting of competition will probably be read into every order (cf. *Mueller Co.* v. *F.T.C.*, 323 F.2d 44, 47 (7th Cir. 1963)), they may well prove ineffective to prevent the respondents from matching allowances offered by competitors not under order. Cf. *Callaway Mills Co.*, F.T.C. Docket 7634 (decided February 10, 1964), dissenting opinion, p. 4 [64 F.T.C. 746].

There is another problem that the Commission, in its haste to wind up the wearing apparel project, has evidently overlooked. The Commission's proceedings so far have been limited chiefly to manufacturers of outer garments (thereby excluding most manufacturers of gloves, footwear, underwear, and many other items of wearing apparel), which represent only a fraction of the products sold in department stores. From all indications, the practice of granting unlawful advertising allowances to large retailers may not be limited to manufacturers of outer garments, or even to manufacturers of wearing apparel generally, but may extend to a great many of the products sold by such stores. Though it is obvious that preventing discriminatory allowances on only one type of

merchandise would not eliminate, but at most only slightly reduce, any unfair competitive advantage of large buyers who received such concessions across the board, no attempt has been made to broaden the investigation to other industries selling to department store chains.

Finally, I am deeply concerned by a problem that has plagued this project from the outset—the problem of the motives and objectives of the industry representatives who have been so eager for the Commission to place hundreds of wearing apparel manufacturers under very broad Section 2(d) cease and desist orders. As Commissioner Higginbotham and I pointed out in our statement of January 2, 1963 (p. 5):

> The Commission's take-it-or-leave-it-by-February 15, 1963, approach and the broad form of order which it proposes may perhaps be preferred by those manufacturers who wish to eliminate all cooperative advertising, lawful as well as unlawful, and who wish to have the Commission, rather than themselves, held responsible for such action. But the evil which the Commission is seeking here to eliminate is the granting of discriminatory advertising allowances to certain favored customers. Non-discriminatory cooperative advertising is a legitimate business practice which the Commission has neither the authority nor the purpose to prohibit. The Commission should not, therefore, propose the issuance of consent orders which, because of their large and uncertain breadth, could be used as the pretext for discontinuing lawful cooperative advertising payments.

Subsequent events have tended to confirm this fear. The alacrity with which industry members have accepted the proffered boilerplate orders suggests, although it does not prove, that members of the industry may be using, or rather misusing, the Commission as an instrumentality to obtain what the Sherman Act prohibits them from obtaining by agreement or conspiracy: uniform industry-wide curtailment or discontinuance of *all* advertising allowances, legal and illegal alike, which in this industry constitute an important, and except to the extent forbidden by Section 2(d) a fair and salutary, method of competition. The Commission has a duty to ensure the integrity of its processes. It ought not allow itself to be manipulated by industry members whose objectives are inconsistent with the policy of the antitrust laws—which I fear may be the case here. Before it makes these orders final, I again urge the Commission to take all necessary steps to assure itself that lawful competition will not unwittingly be stifled as a result of its action.

II

For the foregoing reasons, I cannot agree that the Commission's action in abruptly making the outstanding orders final promises

a fair and effective solution of the wearing apparel problem. It is not as if our only alternatives were to abandon the project altogether, suspend the outstanding orders indefinitely, or make these orders final while at the same time plunging ahead with more complaints and more consent orders. There are other approaches to the problem, which the Commission should explore even at the cost of thereby admitting that its earlier efforts have not been successful.

There are at least three practical approaches which the Commission could pursue, alternatively or concurrently, instead of routinely issuing more and more complaints against wearing apparel manufacturers. The first would be to develop pilot cases against buyers who have knowingly induced discriminatory allowances forbidden by Section 2(d). In a situation where, though there may be thousands of firms in many industries violating the Act, the basis cause of the violations lies in the activity of a relatively few powerful buyers, it is the fairer, more economical, and more expeditious method of law enforcement to proceed against the few buyers rather than the many sellers. Cf. *Max Factor & Co.*, F.T.C. Docket 7717 (decided July 22, 1964) [66 F.T.C. 184]. We are now advised that that is precisely the situation in the wearing apparel industry. It is in retrospect regrettable that the Commission should have attempted to sue hundreds of small firms before beginning to investigate seriously the few large firms that may be the real wrongdoers; but the Commission's present action in now making final the consent orders against these small firms only compounds the error.

Second, the Commission could use its Trade Regulation Rule procedure to deal with the problem of unlawful advertising allowances in the wearing apparel industry on a genuinely industry-wide basis. This would not be a novelty in Section 2(d) enforcement. See *Atlantic Products Corp.*, F.T.C. Docket 8513 (Order of December 13, 1963) [63 F.T.C. 2237]. I have tried to explain elsewhere how a Trade Regulation Rule proceeding can be an effective method for bringing about prompt, simultaneous, and uniform discontinuance of industry-wide discriminatory practices. See *Callaway Mills Co., supra,* dissenting opinion, pp. 16-18 [64 F.T.C. 756-758]. I believe it would be an effective method in the present circumstances—at least it could be tried.

Third, along the lines Commissioner Higginbotham and I originally suggested, the Commission could try a less formal approach to achieving industry-wide compliance, as it has recently begun to do in other industries. The first steps in such an approach

might be (1) to express the Commission's intention to obtain industry-wide compliance with Section 2(d) without exacting any penalty for past violations; (2) to encourage each wearing apparel supplier to submit a detailed outline of his plans for conforming to the requirements of the law; (3) to make the assistance of the staff, as well as the Commission's advisory opinion procedures, available to suppliers who may be in doubt as to the elements of a proper plan of promotional allowances; and (4) to set a target date for simultaneous industry-wide abandonment of unlawful promotional allowances and require the suppliers to submit satisfactory evidence of compliance.

Even if such approaches should fail, it would not mean that the Commission must shoulder the perhaps impossible burden of attempting to police compliance with Section 2(d) in an industry consisting of thousands of small sellers. Once the Commission, through selective litigation, a Trade Regulation Rule proceeding, or some other means, has defined the requirements of Section 2(d) as applied to a particular industry, and the problem of law enforcement becomes the relatively simple and straightforward one of compelling adherence to clear and well-understood standards of legality, it might be appropriate for the Department of Justice to assume some of the burden of law enforcement. With its power to obtain preliminary injunctions against conduct in violation of the Clayton Act (see 15 U.S.C. § 25), including of course Section 2(d), the Department is in a better position than the Commission to enforce compliance with the requirements of the Act in a situation where the need is for policing rather than defining standards of legality; and there can be no question of its willingness to cooperate with the Commission in this as in other areas of concurrent responsibility for law enforcement.

But in any event our first move, before we take the drastic step of making 298 cease and desist orders final or make any major further commitments of Commission resources in this industry, should be to reconvene the public conference with industry representatives held back in October 1962. By its action today, the Commission seeks to create the impression that the wearing apparel project has now been successfully completed. But many questions remain unanswered, and until they are answered, no one can say with confidence whether we are at the project's end, or somewhere in the middle, or still at the beginning. A conference with industry would provide a means of illuminating some of these questions. What is the present state of compliance with the Clayton Act in the

wearing apparel industry? Have the Commission's complaints had a salutary effect, or are violations still rampant? Should the Commission press on with its complaint-and-order approach, perhaps concurrently with other steps, or abandon it and try a new approach? Does the Commission now have under order the principal violators, or has the coverage of our investigation been inadequate? Are the orders that have been obtained tailored to prevent only advertising allowances that are discriminatory and illegal—or has the Commission been made the unwitting tool of those industry members who desire the elimination of *all* advertising allowances? Sooner or later the Commission must face up to these questions; and the sooner the better.

IN THE MATTER OF

SINCLARE, LTD., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-983. Complaint, Aug. 10, 1965—Decision, Aug. 10, 1965

Consent order requiring a San Francisco, Calif., importer and distributor of textile fiber products, to cease violating the Textile Fiber Products Identification Act by falsely labeling, invoicing and advertising their textile fiber products, such as labeling textile fiber products as 100% Polyester when such products contained substantially different fibers, and by misrepresenting the nature of their business by using the legend "manufacturers" on invoices, when in fact, respondents do not own or operate any manufacturing plants.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Sinclare, Ltd., a corporation, and H. Peter Knuepfel, individually and as an employee of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification 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 Sinclare, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California. Said corporation is an importer and distributor of textile fiber products with its office and principal place of business located at 1360 Howard Street, San Francisco, California.

Respondent H. Peter Knuepfel is an employee of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices complained of herein. Said individual respondent has his office and principal place of business located at 1360 Howard Street, San Francisco, California.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now engaged in the introduction, delivery for introduction, sale, advertising and offering for sale, in commerce, and in the transportation or causing to be transported in commerce and the importation into the United States of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale, in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name or amount of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which set forth the fiber content as 100% Polyester, whereas, in truth and in fact, said product contained a substantially different fiber.

PAR. 4. Certain of said textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which failed to disclose the true generic name of the fiber present.

PAR. 5. The acts and practices of respondents as set forth above, were and are in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder; and constituted and now constitute, unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. In the course and conduct of their business respondents now cause, and for sometime last past have caused their products when sold to be shipped from their place of business in the State of California to retailers thereof located in various other States of the United States, and maintain and at all times mentioned herein, have maintained a substantial course of trade of said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Respondents, for the purpose of inducing the purchase of their products, have engaged in the practice of misrepresenting the nature of their business, by issuing sales invoices which bear the legend "manufacturers" thereby representing that they own, operate or control manufacturing plants. In truth and in fact, respondents do not own, operate or control any manufacturing plants. Therefore, the statements and representations and acts and practices set forth above are misleading and deceptive.

PAR. 8. Many dealers and other purchasers prefer to buy products, including textile products, directly from factories or mills, believing that by doing so they obtain lower prices and other advantages.

PAR. 9. In the course and conduct of their said business, and at all times mentioned herein, respondents have been engaged in substantial competition in commerce with corporations, firms and individuals in the sale of textile products of the same general kind and nature as so sold by respondents.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has the capacity and tendency to mislead dealers and other purchasers into an erroneous and mistaken belief as to the nature of respondents' business, and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, herein

alleged, were, and are, all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5(a)(1) of the Federal Trade Commission Act.

Decision and Order

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Sinclare, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business located at 1360 Howard Street, in the city of San Francisco, State of California.

Respondent H. Peter Knuepfel is an employee of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Sinclare, Ltd., a corporation, and its officers and H. Peter Knuepfel, individually and as an employee of said corporation and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from introducing, delivering for intro-

duction, selling, advertising, or offering for sale, in commerce, or transporting or causing to be transported in commerce, or importing into the United States any textile fiber product; or selling, offering for sale, advertising, delivering, transporting or causing to be transported, any textile fiber product, which has been advertised or offered for sale in commerce; or selling, offering for sale, advertising, delivering, transporting, or causing to be transported, after shipment in commerce, any textile fiber product, whether in its original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act:

1. Which is falsely or deceptively stamped, tagged, labeled, invoiced, advertised or otherwise identified as to the name or amount of constituent fibers contained therein.

2. Unless each such product has securely affixed thereto, or placed thereon, a stamp, tag, label, or other means of identification correctly showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

It is further ordered, That respondents Sinclare, Ltd., a corporation, and its officers, and H. Peter Knuepfel, individually and as an employee of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of merchandise in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting in any manner that the respondents are manufacturers or own, operate or control the plant in which their products are made.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

GOOD BROTHERS ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-984. Complaint, Sept. 1, 1965—Decision, Sept. 1, 1965

Consent order requiring New York City manufacturers of fur products, to

cease violating the Fur Products Labeling Act by misbranding and falsely invoicing their fur products, furnishing false guaranties that said products are not misbranded, falsely invoiced or advertised, and failing to comply with other requirements of the Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Good Brothers, a partnership, and Harry Good and Samuel Good, individually and as co-partners trading as Good Brothers, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 Good Brothers, is a partnership organized, existing, and doing business under and by virtue of the laws of the State of New York. Harry Good and Samuel Good are individuals and co-partners in the same partnership.

Respondents are manufacturers of fur products, with their office and principal place of business at 227 West 29th Street, New York City, New York.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were falsely and deceptively labeled to show that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed, or otherwise artificially colored in violation of Section 4(1) of the Fur Products Labeling Act.

Among such misbranded fur products, but not limited thereto, were fur products labeled as Natural Mink when in fact the fur in such fur products was not Natural but contained dye.

PAR. 4. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products without labels or with labels which failed to disclose that the fur contained in the fur product was bleached, dyed, or otherwise artifically colored, when such was the fact.

PAR. 5. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(c) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced by the respondent in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products, but not limited thereto, were fur products covered by invoices which failed to disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 7. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that fur contained therein was natural, when in fact such fur was pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Section 5(b)(2) of the Fur Products Labeling Act.

PAR. 8. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that

they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(c) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 9. Respondents furnished false guaranties under Section 10(b) of the Fur Products Labeling Act with respect to certain of their fur products by falsely representing in writing that respondents had a continuing guaranty on file with the Federal Trade Commission when respondents in furnishing such guaranties had reason to believe that the fur products so falsely guaranteed would be introduced, sold, transported and distributed in commerce, in violation of Rule 48(c) of said Rules and Regulations under the Fur Products Labeling Act and Section 10(b) of said Act.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore detemined to issue its complaint charging the respondents named in the capition hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set

forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Good Brothers is a partnership 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 227 West 29th Street, New York City, New York.

Respondents Harry Good and Samuel Good are individuals and copartners trading as Good Brothers and their office and principal place of business is the same as that of the said partnership.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Good Brothers, a partnership, and Harry Good and Samuel Good, individually and as copartners trading as Good Brothers or under any other trade name, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commence," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing directly or by implication on labels that the fur contained in any fur product is natural when the fur contained therein is bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

3. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to fur products.

4. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on labels affixed to fur products.

5. Failing to set forth on labels the item numbers or mark assigned to a fur product.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Representing directly or by implication on invoices that the fur contained in fur products is natural when such fur is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

3. Setting forth on invoices information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

4. Failing to set forth the term "natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

5. Failing to set forth on invoices the item number or mark assigned to fur products.

It is further ordered, That respondents Good Brothers, a partnership, and Harry Good and Samuel Good, individually and as copartners trading as Good Brothers or under any other trade name, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondents have reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

1895 ASSOCIATES, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-985. Complaint, Sept. 2, 1965—Decision, Sept. 2, 1965

Consent order requiring New York City publisher of the newspaper National Jewish Chronicle, to cease and desist from publishing unordered or unauthorized advertisements and from making unlawful demands for payment of nonexistent debts.

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 1895 Associates, Inc., a corporation, and Bernard K. Hoffer, individually and as an employee of said corporation, hereinafter referred to as respondents, have 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 1895 Associates, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 1133 Broadway in the city of New York, State of New York.

Respondent Bernard K. Hoffer is the principal employee of the corporate respondent and is editor-in-chief of the publication National Jewish Chronicle. He formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the solicitation of advertisements to be published in a tabloid size newspaper known as National Jewish Chronicle

and in the collection of past due and allegedly past due accounts arising out of their said business.

PAR. 3. In the course and conduct of their business, respondents cause their publication to be circulated from its point of publication to subscribers and purchasers located in various other States of the United States. Further, in the course and conduct of their solicitation of advertisements, respondents engage in extensive commercial intercourse involving long distance telephone calls and the transmission of bills, invoices, bank checks and other business communications between and among various States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents have engaged in the unfair and deceptive practice of placing advertisements of various persons and companies in their publication without having received authorization therefor and then seeking to exact payment for said advertisements from said persons and companies.

PAR. 5. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals likewise engaged in the publication of newspapers and other periodicals and in the sale of advertisements to be inserted therein.

PAR. 6. The unfair and deceptive practice engaged in by respondents of publishing unordered or unauthorized advertisements has subjected corporations, firms and individuals to harassment and unlawful demands for payment of nonexistent debts.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent 1895 Associates, 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 1133 Broadway, in the city of New York, State of New York.

Respondent Bernard K. Hoffer is an employee of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents 1895 Associates, Inc., a corporation, and its officers, and Bernard K. Hoffer, individually and as an employee of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the soliciting, offering for sale or sale of advertising space in the newspaper designated as National Jewish Chronicle, or any other publication, whether published under that name or any other name, and in connection with the offering for sale, sale or distribution of said newspaper, or any other publication, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Placing, printing or publishing, or causing to be placed, printed or published, any advertisement on behalf of any person, firm or corporation in any publication without a prior authorization, order or agreement to purchase said advertisement.

2. Sending or causing to be sent, bills, letters or notices to any person, firm or corporation with regard to any advertisement which has been or is to be printed, inserted or

published on behalf of said person, firm or corporation, or in any other manner seeking to exact payment for any such advertisement, without a prior authorization, order or agreement to purchase said advertisement.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

COSMETICS MANUFACTURING COMPANY ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-987. Complaint, Sept. 9, 1965—Decision, Sept. 9, 1965

Consent order requiring Long Beach, Calif., distributors of toilet preparations to jobbers and retailers, to cease preticketing perfumes and toilet preparations with prices higher than regular retail selling prices, representing falsely on labels affixed thereto and on cartons that said merchandise was manufactured in a foreign country, and from using foreign words and terms in product names and depictions indicative of foreign origin unless such designations and depictions disclose the fact that said merchandise was manufactured in the United States.

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 Cosmetics Manufacturing Company, a corporation, and Sanford Barth, individually and as an officer of said corporation, hereinafter referred to as respondents, have 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 Cosmetics Manufacturing Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 2830 Temple Avenue, in the city of Long Beach, State of California.

Respondent Sanford Barth is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of

the corporate respondent, including the acts and practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of toilet preparations to distributors, jobbers and retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of California to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the purchase of their products, respondents have engaged in the practices of:

(a) Imprinting, or causing to be imprinted upon cartons in which their said toilet preparations are intended to be sold, and are sold, to the purchasing public, and upon labels affixed to the immediate containers of said products, what purports to be the retail price thereof.

(b) Imprinting, or causing to be imprinted, upon bottles and cartons in which their toilet preparations are intended to be, and are, sold to the purchasing public, and upon labels affixed thereto, designations of and referring to said products, including "Paris au Printemps Parfum Chateau Rouge Dist." and "Chateau Rouge Parfum," depictions of the fleur-de-lis and of the Eiffel Tower, and the statement "Concentre Fabrique Avec Essences de France."

PAR. 5. By and through the use of the aforementioned representations, and others of similar import not specifically set out herein, respondents represented directly or by implication:

(a) That said amounts appearing on said products constitute respondents' good faith honest estimate of the actual retail selling prices of said toilet preparations and are not in excess of the highest price at which substantial sales of said preticketed articles are made in respondents' trade area.

(b) That said toilet preparations are manufactured in France. The use of the designations "Paris au Printemps Parfum," and "Chateau Rouge Parfum," the statement "Concentre Fabrique Avec Essences de France," and the depictions of the fleur-de-lis and

of the Eiffel Tower have the capacity and tendency, separately and collectively, to suggest to the purchasing public that toilet preparations so designated or referred to were manufactured in France, of which the Commission takes official notice.

PAR. 6. In truth and in fact:

(a) Said amounts do not constitute respondents' good faith honest estimate of the actual retail selling prices of said toilet preparations and are appreciably in excess of the highest price at which substantial sales of said preticketed articles are made in respondents' trade area, or in the trade area of any distributor or dealer in said toilet preparations.

(b) Said toilet preparations are manufactured in the United States.

Therefore, the statements and representations set forth in Paragraph Four hereof are false, misleading and deceptive.

PAR. 7. There is a preference on the part of a substantial portion of the purchasing public for toilet preparations manufactured or compounded in France, of which fact the Commission takes official notice.

The use of designations for toilet preparations in the French language, and depictions particularly associated with France, have the capacity and tendency to suggest, and do suggest, to the purchasing public, that toilet preparations so designated were manufactured in France, of which fact the Commission also takes official notice.

PAR. 8. By the aforesaid practices respondents place in the hands of jobbers, retailers and dealers the means and instrumentalities by and through which they may mislead and deceive the public as to the regular retail selling price and the country of origin of their aforementioned products.

PAR. 9. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of toilet preparations of the same general kind and nature as that sold by respondents.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute, unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Cosmetics Manufacturing Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its principal office and place of business located at 2830 Temple Avenue, in the city of Long Beach, State of California.

Respondent Sanford Barth is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Cosmetics Manufacturing Company, a corporation, and its officers, and Sanford Barth, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of perfume or other toilet preparations, in commerce,

as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(a) The act or practice of pre-ticketing merchandise at an indicated retail price or otherwise disseminating or advertising a list, suggested or other indicated retail price for respondents' merchandise: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that such indicated retail price was disseminated or advertised in good faith and has not appreciably exceeded the highest price at which substantial sales of such articles were being made in respondents' trade area.

(b) In connection with perfume or other toilet preparations not wholly made in a foreign country,

1. Representing directly that such products are made in a foreign country, or

2. Using any foreign word, term or phrase in any brand or product name, or using any depiction or other device, word, term or phrase indicative of foreign origin, unless clear and conspicuous disclosure is made in close connection and conjunction therewith of the fact that such products were made in the United States.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

S. SCHWARTZ & B. KLEIN, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-986. Complaint, Sept. 10, 1965—Decision, Sept. 10, 1965

Consent order requiring New York City manufacturers of fur products to cease misbranding and falsely invoicing their fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that S. Schwartz & B. Klein, Inc., a cor-

poration, and Samuel Schwartz and Benjamin Klein, individually and as officers of the said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 S. Schwartz & B. Klein, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware.

Respondents Samuel Schwartz and Benjamin Klein are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products with their office and principal place of business located at 330 Seventh Avenue, New York, New York.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed:

1. To show the true animal name of the fur used in the fur product.

2. To show the country of origin of the imported furs contained in the fur product.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on labels in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(c) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products but not limited thereto, were fur products covered by invoices which failed:

1. To show the true animal name of the fur used in the fur product.

2. To disclose that the fur contained in the fur product was bleached, dyed or otherwise artificially colored, when such was the fact.

3. To show the country of origin of imported furs used in fur products.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth on invoices in abbreviated form, in violation of Rule 4 of said Rules and Regulations.

(b) The term "blended" was used as part of the information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing, tip-dyeing or otherwise artificial coloring of furs contained in fur products, in violation of Rule 19(f) of the said Rules and Regulations.

(c) The term "natural" was not used on invoices to describe fur products which were not pointed, bleached, dyed, tip-dyed or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(d) Information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth separately on invoices with respect to each section of fur products composed of two or more sections containing different animal furs, in violation of Rule 36 of said Rules and Regulations.

(e) Required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent S. Schwartz & B. Klein, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware. Its office and principal place of business is located at 330 Seventh Avenue, New York, New York.

Respondents Samuel Schwartz and Benjamin Klein are officers of said corporation and their address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents S. Schwartz & B. Klein, Inc., a corporation, and its officers, and Samuel Schwartz and Benjamin Klein, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to fur products.

3. Failing to set forth the term "natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

4. Failing to set forth on labels the item number or mark assigned to a fur product.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed in each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Setting forth information required under Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form.

3. Setting forth the term "blended" or any term of like import as part of the information required under Section 5(b)(1) of the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe the pointing, bleaching, dyeing, tip-dyeing or otherwise artificial coloring of furs contained in fur products.

4. Failing to set forth the term "natural" as part of the information required to be disclosed on invoices under the Fur Products Labeling Act and Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

5. Failing to set forth separately information required under Section 5(b)(1) of the Fur Products Labeling Act and Rules and Regulations promulgated thereunder with respect to each section of fur products composed of two or more sections containing different animal furs.

6. Failing to set forth on invoices the item number or mark assigned to fur products.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

ABCO FURS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-988. Complaint, Sept. 10, 1965—Decision, Sept. 10, 1965

Consent order requiring two New York City firms dealing in fur products to cease misbranding, falsely advertising, and falsely invoicing fur products in violation of the Fur Products Labeling Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and by virtue of the authority vested in it by said Acts, the Federal Trade Commission having reason to believe that Abco Furs, Inc., a corporation, Hy Fishman, Inc., a corporation, and Hy Fishman, individually and as an officer of both corporations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling 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 Abco Furs, 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 312 Seventh Avenue, New York, New York.

Respondent Hy Fishman, 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 312 Seventh Avenue, New York, New York.

Respondent Hy Fishman is an officer of the said corporate respondents and formulates, directs and controls the acts, practices and policies of the said corporate respondents. His office and principal place of business is the same as that of the said corporate respondents.

Respondent Abco Furs, Inc., manufactures, retails and services fur products. Respondent Hy Fishman, Inc., manufactures and wholesales fur products.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been and are now engaged in the introduction into commerce, and in the manufacture for introduction, into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of

the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed:

1. To show the true animal name of the fur used in the fur product.

2. To disclose that the fur contained in the fur product was bleached, dyed, or otherwise artificially colored, when such was the fact.

3. To show the name, or other identification issued and registered by the Commission, of one or more of the persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered it for sale, in commerce, or transported or distributed it in commerce.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) The term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

(b) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 29(b) of said Rules and Regulations.

(c) Information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder was not set forth in the required sequence, in violation of Rule 30 of said Rules and Regulations.

(d) Required item numbers were not set forth on labels, in violation of Rule 40 of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the Rules and Regulations promulgated under such Act.

Respondents failed to invoice fur products with any of the information required under Section 5(b)(1) of the said Act.

PAR. 6. Certain of said fur products were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the Rules and Regula-

tions promulgated thereunder in that required item numbers were not set forth on invoices, in violation of Rule 40 of said Rules and Regulations.

PAR. 7. Certain of said fur producers were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements, but not limited thereto, were advertisements appearing in newspapers, magazines, sales brochures and other advertising material.

Among and included in the advertisements, but not limited thereto, were advertisements which failed to show the true animal name of the fur used in the fur product.

PAR. 8. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents have made statements and representations, among and typical but not all inclusive of which are the following:

Member of: The Master Furriers Guild of America.

A division of America's Largest Retail Fur Servicing Chain, Operator—200 Stores.

Showroom samples—garments worn at T.V. and fashion shows.

Some are samples shown at shows and on T.V.

ABCO FURS is also America's recognized leader in Custom Fur Remodeling and Redyeing.

America's Largest Fur Rental Co.

Also offers tremendous values on superb quality, unredeemed storage furs, from their 160 affiliate N. Y. stores.

Abco sells slightly used furs.

Abco Furs gives best values on prestige quality, gently used furs.

PAR. 9. Through the use of the said advertisements, and others of similar import and meaning not specifically set out herein respondents have represented and have now represented directly or by implication:

1. That respondents are members of the Master Furriers Guild of America.

2. That respondents are a division of America's largest retail fur services chain.

3. That respondents are a member of a chain of over 200 stores.

4. That respondents market substantial amounts of showroom samples.

5. That respondents market substantial amounts of fur products used in fashion shows and television shows.

6. That respondents are America's recognized leader in custom fur remodeling and redyeing.

7. That respondents are America's largest fur rental company.

8. That respondents market substanial amounts of unredeemed storage furs from a large number of affiliate stores.

9. That used fur products offered for sale by respondents are not damaged or affected to an appreciable extent by usage or wear.

PAR. 10. The aforesaid statements are false, misleading and deceptive. In truth and in fact:

1. None of the respondents is a member of or affiliated with the Master Furriers Guild of America.

2. Respondents are not a division of America's largest retail fur services chain.

3. Respondents are not a member of a chain of over 200 stores. Respondents have only one place of business and are not a chain organization.

4. Respondents do not market showroom samples.

5. Respondents do not market fur products used in fashion shows and television shows.

6. Respondents are not America's recognized leader nor a leader in custom fur remodeling or redyeing.

7. Respondents are not America's largest fur rental company.

8. Respondents do not market unredeemed storage furs or any other type of unredeemed merchandise.

9. A substantial number of used fur products offered for sale by respondents are substantially damaged by usage or wear.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder and constitute unfair and deceptive acts and practices and unfair methods of competition in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admis-

sion by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Abco Furs, 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 312 Seventh Avenue, New York, New York.

Respondent Hy Fishman, 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 312 Seventh Avenue, New York, New York.

Respondent Hy Fishman is an officer of said corporations and his address is the same as that of said corporations.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Abco Furs, Inc., a corporation, and its officers, Hy Fishman, Inc., a corporation, and its officers, and Hy Fishman, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information

required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Failing to set forth the term "natural" as part of the information required to be disclosed on labels under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe fur products which are not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

3. Setting forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder in handwriting on labels affixed to fur products.

4. Failing to set forth information required under Section 4(2) of the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder on labels in the sequence required by Rule 30 of the aforesaid Rules and Regulations.

5. Failing to set forth on labels the item number or mark assigned to a fur product.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices as the term "invoice" is defined in the Fur Products Labeling Act showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Failing to set forth on invoices the item number or mark assigned to a fur product.

C. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly in the sale, or offering for sale of any fur product, and which:

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Represents, directly or by implication, that any of the respondents is a member of Master Furriers Guild Association of America; or which otherwise misrepresents respondents' affiliations or connections with any other trade organization.

3. Represents, directly or by implication, that respondents' enterprise is a division of America's largest retail fur servicing chain, or is a member of a chain of over 200 stores or is a chain organization; or which otherwise misrepresents the respondents' affiliations or connections with any other business organization.

4. Represents, directly or by implication, that respondents market showroom sample products or products used in television or fashion shows: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish (1) that such category or categories of merchandise are available from respondents and (2) that the volume of merchandise which comprises the category or categories of products named or implied in respondents' sales solicitation is truthfully disclosed in immediate conjuntion with such representation.

5. Represents, directly or by implication, that respondents are America's recognized leader or a leader in custom fur remodeling or redyeing.

6. Represents, directly or by implication, that respondents are America's largest fur rental company.

7. Misrepresents in any manner, directly or by implication, the size, scope, nature, status, reputation or type of respondents' business.

8. Represents, directly or by implication, that respondents market unredeemed storage furs or any other type of unredeemed merchandise: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish (1) that such merchandise is available from them and (2) that the volume of merchandise which comprises the category or categories of products named or implied in respondents' sales solicitation is truthfully disclosed in immediate conjunction with such representation.

9. Suggests, directly or by implication, any qualification or limitation of the disclosure that a fur or fur product is used, second-hand, or damaged, by such terms as "slightly used," "like new," or otherwise: *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that such qualification or limitation truthfully repre-

sents the degree and extent to which the fur or fur product so described has been used or damaged.

10. Misrepresents in any manner, directly or by implication, the nature, type or quality of respondents' fur products.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

WALTHAM ATHLETICWEAR MFG. CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACT

Docket C-989. Complaint, Sept. 10, 1965—Decision, Sept. 10, 1965

Consent order requiring a Boston, Mass., manufacturer of athletic wool jackets, shirts, and other wool products to cease misbranding and falsely advertising such wool products in violation of the Wool Products Labeling Act, and falsely invoicing said products in violation of the Federal Trade Commission Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Waltham Athleticwear Mfg. Co., Inc., a corporation, and Theodore G. Vlachos, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, 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 Waltham Athleticwear Mfg. Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts.

Individual respondent Theodore G. Vlachos is an officer of the corporate respondent and formulates, directs and controls the acts,

policies and practices of the corporate respondent, including the acts and practices hereinafter referred to.

Respondents are engaged in the manufacture and sale of athletic award jackets, warm-up jackets, baseball jackets; in the wholesaling of bowling and soft ball team shirts; and in some retail business. Respondents' main office and principal place of business is at 316 Meridian Street, East Boston, Massachusetts.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were wool products, namely, articles of wearing apparel, which contained substantially different amounts and types of fibers than were set forth on the labels thereto affixed.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged or labeled as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were wool products without fiber content labels, and with labels which failed to disclose the percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 per centum of the total fiber weight of (1) wool, reprocessed wool and reused wool; (2) each fiber other than the wool when said percentage by weight of such fiber was 5 per centum or more; and (3) the aggregate of all other fibers.

PAR. 5. Certain of said wool products were misbranded in violation of the Wood Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939, in the following respects:

(a) Words and terms used in required information were set forth in abbreviated form on the stamp, tag, label, or other means of identification on or affixed to wool products, in violation of Rule 9 of said Rules and Regulations.

(b) Samples, swatches, or specimens of wool products used to promote or effect sales of such wool products in commerce were not labeled or marked to show that information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in violation of Rule 22 of the aforesaid Rules and Regulations.

(c) Required information as to fiber content was not set forth on labels attached to wool products consisting of two or more sections of different fiber composition, in such manner as to show fiber composition of each section in all instances where such marking was necessary to avoid deception, in violation of Rule 23 of the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939.

PAR. 6. The acts and practices of respondents as set forth above were, and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted and now constitute, unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 7. In the course and conduct of their business as aforesaid, respondents now cause and for some time last past have caused their said products, when sold, to be shipped from their place of business in the Commonwealth of Massachusetts to purchasers located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 8. Respondents in the course and conduct of their business, have made statements in catalogues and other advertising and promotional materials furnished to their customers, misrepresenting the fiber content of certain of their products.

Among such misrepresentations, but not limited thereto, were statements representing the fiber content thereof as "100% Wool Melton," whereas in truth and in fact the products contained substantially different fibers and amount of fibers than represented.

PAR. 9. Respondents in the course and conduct of their business have made statements on invoices to their customers, misrepresenting the fiber content of certain of their products.

Among such misrepresentations, but not limited thereto, were statements representing the fiber content thereof as "wool," whereas in truth and in fact the product was not 100% Wool, but contained substantially different fibers and amounts of fibers than represented.

PAR. 10. The acts and practices set out in Paragraphs Eight and Nine have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof.

PAR. 11. The aforesaid acts and practices of respondents as herein alleged were and are all to the prejudice and injury of the public, and constituted, and now constitute, unfair and deceptive acts and practices in commerce, within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the said Acts, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Waltham Athleticwear Mfg. Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachsuetts with its office and principal place of business located at 316 Meridian Street, East Boston, Massachusetts.

Respondent Theodore G. Vlachos is an officer of Waltham Athleticwear Mfg. Co., Inc., and his office and principal place of business is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That Waltham Athleticwear Mfg. Co., Inc., a corporation, and its officers, and Theodore G. Vlachos, individually and as an officer of said corporation, and respondents' representatives, agents and emloyees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

Misbranding of such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constitutent fibers contained therein.

2. Failing to securely affix to, or place on, each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

3. Setting forth information required under Section 4(a)(2) of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to wool products.

4. Failing to label or mark samples, swatches, or specimens of wool products subject to the Wool Products Labeling Act, in such manner as to show their respective fiber contents and other information required by law when said samples, swatches, or specimens are used to promote or effect sales of such wool products in commerce.

5. Failing to set forth required information on labels attached to wool products consisting of two or more sections of different fiber composition, in such a manner as to show the fiber content of each section in all instances where such marking is necessary to avoid deception.

It is further ordered, That respondents Waltham Athleticwear Mfg. Co., Inc., and its officers, and Theodore G. Vlachos, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of articles of wearing apparel or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Misrepresenting the character or amount of constituent fibers contained in respondents' apparel or other products on invoices or shipping memoranda applicable thereto, in catalogues, advertisements or promotional materials or in any other manner.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

MILTON KRAMER TRADING AS GOODWEAR HAT MFG. COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-990. Complaint, Sept. 10, 1965—Decision, Sept. 10, 1965

Consent order requiring a firm in Atlanta, Ga., engaged in manufacturing men's hats from reconditioned or made-over hat bodies which have been previously used or worn, to cease selling such hats unless they are stamped "second-hand," "worn," "used," or "made-over."

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 Milton Kramer, an individual trading as Goodwear Hat Mfg. Company, 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 Milton Kramer is an individual trading as Goodwear Hat Mfg. Company with his principal office and place of business located at 84½ Pryor Street, S.W., Atlanta, Georgia.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the manufacture of men's hats from reconditioned or made over hat bodies which have been previously used or worn, and in the offering for sale, sale and distribution of said hats to wholesalers, jobbers and retailers for resale to the public.

PAR. 3. In the course and conduct of his business, respondent causes, and for some time last past has caused, his products, when sold, to be shipped from his place of business in the State of Georgia to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the conduct of his business and at all times mentioned herein, respondent has been in substantial competition in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by respondent and with manufacturers, jobbers and retailers of new men's hats.

PAR. 5. In the course and conduct of his business, respondent reconditions or makes over men's hats, using in the process, hat bodies which have been previously used or worn.

Respondent does not disclose on such hats or in any other manner that the hats are previously used or worn hats which have been reconditioned or made over.

When previously used or worn hats are reconditioned or made over, in the absence of any disclosure to the contrary, or in the absence of an adequate disclosure, such hats are understood to be and are readily accepted by the public as new hats, a fact of which the Commission takes official notice.

PAR. 6. By failing to disclose the facts as set forth in Paragraph Five, respondent places in the hands of others the means and instrumentalities whereby they may mislead and deceive the public as to the nature and construction of said hats.

PAR. 7. Respondent's failure to mark or label said hats so as to disclose that said hats are made from reconditioned or made over hat bodies that have been previously used or worn has had, and now has, the capacity and tendency to lead the purchasing public into the erroneous and mistaken belief that respondent's hats are

manufactured entirely from new and unused materials and into the purchase of substantial quantities of said hats by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of the respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission would charge respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondent has violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Milton Kramer is an individual trading as Goodwear Hat Mfg. Company, with its office and principal place of business located at 84½ Pryor Street, S.W., Atlanta, Georgia.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent and the proceeding is in the public interest.

ORDER

It is ordered, That respondent, Milton Kramer, an individual, trading as Goodwear Hat Mfg. Company, or under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection

with the offering for sale, sale or distribution of hats in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing discarded, secondhand or previously used hats that have been rebuilt, reconstructed, reconditioned or otherwise made over, or hats that are composed in whole or in part of materials which have previously been worn or used, unless a statement that said hats are composed of second hand, worn or used materials *(e.g.* "second-hand," "worn," "used," or "made-over") is stamped in some conspicuous place on the exposed surface of the inside of the hat in clearly legible terms which cannot be obliterated without mutilating the hat itself: *Provided,* That if sweat bands or bands similar thereto are attached to said hats, that such statement may be stamped upon the exposed surface of such bands: *Providing,* That said stampings be of such a nature that it cannot be removed or obliterated without mutilating the band and the band itself cannot be removed without rendering the hat unserviceable.

2. Placing in the hands of others the means and instrumentalities by and through which they may mislead and deceive the public into believing that respondent's hats are made entirely of new materials.

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

IN THE MATTER OF

A. & M. KARAGHEUSIAN, INC.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket 4305. Complaint, Sept. 6, 1940—Decision, Sept. 13, 1965

Order reopening a proceeding against a New York City rug company, 36 F.T.C. 446, dated March 29, 1943, vacating the order and terminating the case.

ORDER GRANTING REQUEST TO REOPEN PROCEEDING AND VACATING ORDER TO CEASE AND DESIST

By order of March 25, 1965, the Commission directed respondent, A. & M. Karagheusian, Inc. (Karagheusian), to show cause why

this proceeding should not be reopened and the order to cease and desist issued herein on March 29, 1943 [36 F.T.C. 446], modified because of certain changed conditions of fact. An answer to this order was filed by counsel for J. P. Stevens & Co., Inc. (Stevens). Included in this answer was a petition filed pursuant to § 3.28(b)(2) of the Commission's Rules of Practice requesting reopening of the proceeding for the purpose of setting aside the order to cease and desist. The grounds for this request, among others, given by counsel are that the corporate existence of Karagheusian has been terminated and that Stevens as the successor to that corporation is not bound by the order to cease and desist.

The petition states that Stevens, a publicly held corporation, acquired all the stock of Karagheusian in an arm's length transaction on Februarv 18, 1964, and that Karagheusian existed as a corporate subsidiary of Stevens until February 1, 1965, when it was dissolved by merger into Stevens. The petition further states that the separate existence of Karagheusian as a subsidiary corporation was terminated for bona fide business reasons and without reference to or consideration of the order in this proceeding.

The Director of the Bureau of Deceptive Practices has not opposed this petition, and the Commission has no reason to believe that the acquisition of Karagheusian by Stevens was made for the purpose of evading the order to cease and desist or that Stevens has participated with Karagheusian in violation of the order or that there is such relationship or continuity of interest between Karagheusian and Stevens as to warrant treating the latter as a successor respondent. On the basis of the information presented, the Commission is of the opinion that Stevens is not bound by the order to cease and desist issued against the respondent corporation and that the dissolution of the respondent corporation constitutes a changed condition of fact which warrants reopening of this proceeding for the purpose of setting aside the order to cease and desist. Accordingly,

It is ordered, That this proceeding be, and it hereby is, reopened.

It is further ordered, That the Commission's order to cease and desist issued in this proceeding on March 29, 1943 [36 F.T.C. 446], be, and it hereby is, vacated and the proceeding terminated.

IN THE MATTER OF

DEBUTOGS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION, THE TEXTILE FIBER PRODUCTS IDENTIFICATION, THE WOOL PRODUCTS LABELING AND THE FLAMMABLE FABRICS ACTS

Docket C-991. Complaint, Sept. 16, 1965—Decision, Sept. 16, 1965

Consent order requiring a New York City manufacturer of wearing apparel, to cease misbranding and falsely advertising its textile fiber products, misrepresenting its textile products as "Water Repellent," and furnishing false guaranties.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Textile Fiber Products Identification Act, the Wool Products Labeling Act of 1939 and the Flammable Fabrics Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Debutogs, Inc., and Junior Bazaar, Inc., corporations and Hannah S. Horowitz, individually and as an officer of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act, the Wool Products Labeling Act of 1939 and the Flammable Fabrics 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. Respondents Debutogs, Inc., and Junior Bazaar, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Hannah S. Horowitz is an officer of corporate respondents. She participates in the formulation, direction and control of the acts, practices and policies of corporate respondents including the acts and practices hereinafter set forth.

The respondents are engaged in the manufacture and sale of wearing apparel with their principal place of business located at 512 Seventh Avenue, New York, New York.

PAR. 2. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising, and offer-

ing for sale, in commerce, and in the transportation or causing to be transported in commerce, and in the importation into the United States, of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, textile fiber products, which have been advertised or offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the Rules and Regulations promulgated under said Acts.

Among such misbranded fiber products, but not limited thereto, were textile fiber products with labels which failed:

1. To disclose the true generic name of the fiber present.
2. To disclose the percentage of such fibers.
3. To show the name, or other identification issued and registered by the Commission, of the manufacturer of the product, or one or more persons subject to Section 3 with respect to such product.

PAR. 4. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that the respective percentages of fibers contained in the front and back of pile fabrics were not set out in such a manner as to give the ratio between the face and back of such fabrics where an election was made to separately set out the fiber content of the face and back of textile fiber products containing pile fabrics, in violation of Rule 24 of the aforesaid Rules and Regulations.

PAR. 5. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements used to aid, promote, and assist directly or indirectly in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such textile fiber products but not limited thereto were articles of wearing apparel which were falsely and deceptively advertised by means of advertising mats distributed by respondents throughout the United States in that the true generic names of the fibers in such articles were not set forth.

PAR. 6. Certain of said textile fiber products were falsely and deceptively advertised in violation of the Textile Fiber Products Identification Act in that they were not advertised in accordance with the Rules and Regulations promulgated thereunder.

Among such textile fiber products but not limited thereto were textile fiber products which were falsely and deceptively advertised by means of advertising mats distributed by respondents throughout the United States in the following respects:

A. A fiber trademark was used in advertising textile fiber products, namely ladies' coats, without a full disclosure of the fiber content information required by the said Act and the Rules and Regulations thereunder in at least one instance in said advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

B. A fiber trademark was used in advertising textile fiber products, namely ladies' coats, containing more than one fiber and such fiber trademark did not appear in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness, in violation of Rule 41(b) of the aforesaid Rules and Regulations.

PAR. 7. Respondents have failed to maintain proper records showing the fiber content of the textile fiber products manufactured by them, in violation of Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

PAR. 8. Respondents furnished false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 9. The acts and practices of respondents, as set forth above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

PAR. 10. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have introduced or manufactured

for introduction into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 11. Respondents furnished false guaranties under Section 9(b) of the Wool Products Labeling Act of 1939 with respect to certain of their wool products by falsely representing in writing that respondents had a continuing guaranty on file with the Federal Trade Commission when respondents in furnishing such guaranties had reason to believe that the wool products so falsely guarantied would be introduced, sold, transported and distributed in commerce, in violation of Rule 33(d) of the Rules and Regulations under the Wool Products Labeling Act of 1939 and Section 9(b) of said Act.

PAR. 12. The acts and practices of respondents, as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and in the Rules and Regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts or practices, in commerce, under the Federal Trade Commission Act.

PAR. 13. Respondents, subsequent to July 1, 1954, the effective date of the Flammable Fabrics Act, have manufactured for sale, sold and offered for sale, in commerce; have imported into the United States; and have introduced, delivered for introduction, transported and caused to be transported, in commerce; and have transported and caused to be transported for the purpose of sale or delivery after sale in commerce, as "commerce" is defined in the Flammable Fabrics Act, articles of wearing apparel, as the term "article of wearing apparel" is defined therein.

PAR. 14. Respondents, subsequent to July 1, 1954, have falsely represented on invoices to their customers that a Continuing Guaranty has been filed with the Federal Trade Commission with respect to the articles of wearing apparel mentioned above, to the effect that reasonable and representative tests made under the procedure provided in Section 4 of the Flammable Fabrics Act, as amended, and the Rules and Regulations promulgated thereunder, show that such articles of wearing apparel are not, in the form delivered by respondents, so highly flammable under the provisions of the Flammable Fabrics Act as to be dangerous when worn by individuals. There was reason for respondents to believe that the articles of wearing apparel covered by such guaranty might be introduced, sold or transported in commerce, in violation of Rule 10(d) of the Rules

and Regulations promulgated under the Flammable Fabrics Act and Section 8(b) of said Act.

PAR. 15. The acts and practices of respondents herein alleged were and are in violation of the Flammable Fabrics Act and the Rules and Regulations promulgated thereunder and as such constitute unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

PAR. 16. In the course and conduct of their business, respondents are now, and for some time last past have been engaged in the advertising, offering for sale, sale and distribution of merchandise, namely ladies' wearing apparel, to the public.

PAR. 17. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 18. Respondents in the course and conduct of their business as aforesaid have made statements in advertising and on labels on or affixed to textile products, such as "Water Repellent" and thereby have represented that the said textile products were in fact "Water Repellent." In truth and in fact said textile products were not "Water Repellent" or processed or otherwise treated to be "Water Repellent."

PAR. 19. The acts and practices set forth in Paragraph Eighteen are false and deceptive and have had and now have the tendency and capacity to mislead and deceive purchasers of said textile products as to the water repellency of said products.

PAR. 20. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of the respondents' competitors and constituted, and now constitute, unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, the Textile Fiber Products Identification Act and the Flammable Fabrics Act, and the respondents having

been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondents Debutogs, Inc., and Junior Bazaar, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York, with their office and principal place of business located at 512 Seventh Avenue, New York, New York.

Respondent Hannah S. Horowitz is an officer of both said corportions and her address is the same as that of said corporations.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Debutogs, Inc., and Junior Bazaar, Inc., corporations, and their officers, and Hannah S. Horowitz, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or contained in other textile fiber products, as the

terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

1. Failing to affix labels to such textile fiber products showing each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

2. Failing to set forth respective percentages of fibers contained in the front and back of pile fabrics in such a manner as to give the ratio between the front and back of each such fabric where an election is made to separately set out the fiber content of the face and back of textile products containing pile fabrics.

B. Falsely and deceptively advertising textile fiber products by:

1. Making any representations, by disclosure or by implication, as to the fiber contents of any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label or other means of identification under Sections 4(b)(1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Using a fiber trademark in advertisements without a full disclosure of the required content information in at least one instance in the said advertisement.

3. Using a fiber trademark in advertising textile fiber products containing more than one fiber without such fiber trademark appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

It is further ordered, That respondents Debutogs, Inc., and Junior Bazaar, Inc., corporations, and their officers, and Hannah S. Horowitz, individually and as an officer of said corporations, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, manufacture for introduction, sale, advertising, or offering for sale, in commerce, or the

transportation or causing to be transported in commerce, or the importation into the United States of textile fiber products; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of textile fiber products, which have been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of textile fiber products, whether in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from failing to maintain records of fiber content of textile fiber products manufactured by them, as required by Section 6(a) of the Textile Fiber Products Identification Act and Rule 39 of the Regulations promulgated thereunder.

It is further ordered, That respondents Debutogs, Inc., and Junior Bazaar, Inc., corporations, and their officers, and Hannah S. Horowitz, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing a false guaranty that any textile fiber product is not misbranded or falsely invoiced.

It is further ordered, That Debutogs, Inc., and Junior Bazaar, Inc., corporations, and their officers, and Hannah S. Horowitz, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool wearing apparel or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from furnishing a false guaranty that any wool product is not misbranded, when the respondents have reason to believe that such wool product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That Debutogs, Inc., and Junior Bazaar, Inc., corporations, and their officers, and Hannah S. Horowitz, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from furnishing to any person a guaranty with respect to any article of wearing apparel or fabric which respondents, or any of them, have

reason to believe may be introduced, sold or transported in commerce, which guaranty represents, contrary to fact, that reasonable and representative tests made under the procedures provided in Section 4 of the Flammable Fabrics Act, as amended, and the Rules and Regulations thereunder, show and will show that the article of wearing apparel, or the fabric used or contained therein, covered by the guaranty, is not, in the form delivered or to be delivered by the guarantor, so highly flammable under the provisions of the Flammable Fabrics Act as to be dangerous when worn by individuals: *Provided, however,* That this prohibition shall not be applicable to a guaranty furnished on the basis of, and in reliance upon, a guaranty to the same effect received by respondents in good faith signed by and containing the name and address of the person by whom the article of wearing apparel or fabric was manufactured or from whom it was received.

It is further ordered, That respondents Debutogs, Inc., and Junior Bazaar, Inc., corporations, and their officers, and Hannah S. Horowitz, individually and as an officer of said corporations, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of textile products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing in any manner that textile products offered for sale are "Water Repellent": *Provided, however,* That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that the products so characterized have been processed or treated to be and are in fact "Water Repellent."

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

THE LOUANGEL CORPORATION ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-992. Complaint, Sept. 16, 1965—Decision, Sept. 16, 1965

Consent order requiring a Brooklyn, N.Y., distributor of toilet preparations to jobbers and retailers, to cease representing falsely on bottles, cartons

and labels affixed thereto that its domestic perfumes and toilet preparations were manufactured in a foreign country; and to cease using foreign words or terms in product names or depictions indicative of foreign origin unless such designations and depictions disclose that said products were made in the United States.

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 The Louangel Corporation, a corporation, and Arnold Schnapp and Marvin Schnapp, individually and as officers of said corporation, hereinafter referred to as respondents, have 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 The Louangel Corporation, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 337 Kent Avenue, in the city of Brooklyn, State of New York.

Respondents Arnold Schnapp and Marvin Schnapp, are officers of the corporate respondent. They formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. Their address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the advertising, offering for sale, sale and distribution of toilet preparations to distributors, jobbers and retailers for resale to the public.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of business in the State of New York to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the purchase of their products, respondents have engaged in the practices of imprinting, or causing to be imprinted, upon bottles and cartons in which certain of their toilet preparations are intended to be, and are, sold to the purchasing

public, and upon labels affixed thereto, designations of and referring

(depiction of the fleur-de-lis)
MARI
dé Lise
Parfum
The Louangel Corp.
New York
1 fl. oz.

Parfum
PRINCE OBOLENSKI

Parfum
PRINCE OBOLENSKI
½ Fl. Oz.
The Louangel Corp.
New York

M (accompanied
A by three
T reproductions
O of the
U fleur-de lis)
Perfume

PAR. 5. By and through the use of the aforementioned representations, and others of similar import not specifically set out herein, respondents represented directly or by implication that said toilet preparations are manufactured in a foreign country.

The use of designations in a foreign language, including "Mari dé Lise," "Parfum," "Matou," and "Prince Obolenski" have the capacity and tendency to suggest to the purchasing public that toilet preparations so designated were manufactured in a foreign country, and a depiction of the fleur-de-lis also and separately has the capacity and tendency to suggest that toilet preparations so designated were manufactured in France, of which fact the Commission takes official notice.

PAR. 6. In truth and in fact, the toilet preparations referred to in Paragraph Four were manufactured in the United States.

Therefore, the statements and representations set forth in Paragraph Four hereof are false, misleading and deceptive.

to said toilet preparations, including:
France and other foreign countries, of which fact the Commission takes official notice.

PAR. 8. By the aforesaid practices respondents place in the hands of jobbers, retailers and dealers the means and instrumentalities by and through which they may mislead and deceive the public as to the country of origin of the aforementioned products.

PAR. 9. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of toilet preparations of the same general kind and nature as those sold by respondents.

PAR. 10. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged were and are all to the prejudice and injury of the public and of respondents' competitors and constituted and now constitute, unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute

an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent The Louangel Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of business located at 337 Kent Avenue, in the city of Brooklyn, State of New York.

Respondents Arnold Schnapp and Marvin Schnapp are officers of the said corporation and their address is the same as that of the said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents The Louangel Corporation, a corporation, and its officers, and Arnold Schnapp and Marvin Schnapp, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of perfume or other toilet preparations, not wholly made in a foreign country, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(a) Representing directly that such products are made in a foreign country, or

(b) Using any foreign word, term or phrase in any brand or product name, or using any depiction or other device, word, term or phrase indicative of foreign origin, unless clear and conspicuous disclosure is made in close connection and conjunction therewith of the fact that such products were made in the United States.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

Complaint

IN THE MATTER OF

CLARISE SPORTSWEAR CO., INC. (Docket No. C-993)
MAY KNITTING COMPANY, INC. (Docket No. C-994)
HUDDLESPUN, INC. (Docket No. C-995)

CONSENT ORDERS, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 2(d) OF THE CLAYTON ACT

Complaints, Sept. 20, 1965—Decisions, Sept. 20, 1965***

Consent orders requiring three New York wearing apparel manufacturers to cease discriminating among their competing customers in the payment of advertising and promotional allowances, in violation of Sec. 2(d) of the Clayton Act.

COMPLAINT

The Federal Trade Commission, having reason to believe that each of the respondents named in the caption hereof has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act (U.S.C., Title 15, Section 13), and it appearing to the Commission that a proceeding by it in respect thereto is in the interest of the public, the Commission hereby issues its complaints stating its charges as follows:

PARAGRAPH 1. Each of the respondents is a corporation engaged in commerce, as "commerce" is defined in the amended Clayton Act, and sells and distributes its wearing apparel products from one State to customers located in other States of the United States. The sales of each respondent in commerce are substantial.

PAR. 2. Each of the respondents in the course and conduct of its business in commerce paid or contracted for the payment of something of value to or for the benefit of some of its customers as compensation or in consideration for services and facilities furnished by or through such customers in connection with their sale or offering for sale of wearing apparel products sold to them by respondent, and such payments were not made available on proportionally equal terms to all other customers competing with favored customers in the sale and distribution of respondent's wearing apparel products.

PAR. 3. Included among, but not limited to, the practices alleged herein, each respondent has granted substantial promotional pay-

*Identical complaints and decisions were combined by the compiler.

**For Commission's opinion and dissenting statement of Commissioner Elman accompanying these orders, see pp. 393, 403, 407 herein.

ments or allowances for the promoting and advertising of its wearing apparel products to certain department stores and others who purchase respondent's said products for resale. These aforesaid promotional payments or allowances were not offered and made available on proportionally equal terms to all other customers of respondent who compete with said favored customers in the sale of respondent's wearing apparel products.

PAR. 4. The acts and practices alleged in Paragraphs One through Three are all in violation of subsection (d) of Section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of each of the respondents named in the caption hereof, and subsequently having determined that complaint should issue, and each of the respondents having entered into an agreement containing an order to cease and desist from the practices being investigated and having been furnished a copy of a draft of complaint to issue herein charging it with violation of subsection (d) of Section 2 of the Clayton Act, as amended, and

Each of the respondents having executed the agreement containing a consent order which agreement contains an admission of all the jurisdictional facts set forth in the complaint to issue herein, and a statement that the signing of the said agreement is for settlement purposes only and does not constitute an admission by the respondent that the law has been violated as set forth in such complaint, and also contains the waivers and provisions required by the Commission's rules; and

The Commission having considered the agreements, hereby accepts the same, issues its complaints in the form contemplated by said agreements, makes the following jurisdictional findings, and enters the following orders:

1. Respondent Clarise Sportswear Co., Inc., is a corporation organized and existing under the laws of the State of New York, with its office and principal place of business located at 128 West 36th Street, New York, New York.

Respondent May Knitting Company, Inc., is a corporation organized and existing under the laws of the State of New York, with its office and principal place of business located at 230 W. 230th Street, Bronx, 63 New York.

Respondent Huddlespun, Inc., is a corporation organized and existing under the laws of the State of New York, with its office

and principal place of business located at 34 West 27th Street, New York, New York.

2. The Federal Trade Commission has jurisdiction of the subject matter of these proceedings and of the respondents.

ORDER

It is ordered, That each of the respondents named in the above-captioned proceedings, and its officers, directors, agents, representatives and employees, directly or through any corporate or other device, in the course of its business in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

> Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of the respondent as compensation or in consideration for advertising or promotional services, or any other service or facility, furnished by or through such customer in connection with the handling, sale or offering for sale of wearing apparel products manufactured, sold or offered for sale by respondent, unless such payment or consideration is made available on proportionally equal terms to all other customers competing with such favored customer in the distribution or resale of such products.

It is further ordered, That each of the respondents herein shall, within sixty (60) days after 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.

Commissioner Elman dissenting.

IN THE MATTER OF

AMERICAN INSTITUTE OF PRACTICAL NURSING, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-996. Complaint, Sept. 21, 1965—Decision, Sept. 21, 1965

Consent order requiring a Chicago, Ill., concern to cease misrepresenting its correspondence course of instruction in practical nursing by representing falsely in advertisements and other promotional material that persons completing said course would become a practical nurse, competent in the duties thereof, and qualified to secure employment as a practical nurse with hospitals or similar places of employment.

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 American Institute of Practical Nursing, Inc., a corporation, and Bernard Dunn, individually and as an officer of said corporation, hereinafter referred to as respondents, have 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 American Institute of Practical Nursing, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois. Respondent Bernard Dunn is an individual and an officer of the said corporate respondent and formulates, directs and controls the acts and practices of the corporate respondent, including the acts and practices hereinafter set forth. The office and principal place of business of the corporate and individual respondent is located at 120 South State Street, Chicago, Illinois.

PAR. 2. Respondents are now and for some time last past have been engaged in the advertising, offering for sale, sale and distribution of a correspondence course of instruction in practical nursing.

PAR. 3. In the course and conduct of their business, respondents now cause and for some time last past have caused their said correspondence course, when sold, to be shipped from their place of business in the State of Illinois to purchasers thereof located in various other States of the United States, and maintain, and at all times mentioned herein have maintained, a course of trade in said correspondence course in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, at all times mentioned herein, the respondents have been in substantial competition in commerce, with corporations, firms, and individuals engaged in the sale of courses of instruction in practical nursing.

PAR. 5. In the course and conduct of their business, respondents have disseminated and caused the dissemination of advertisements and other promotional material describing and extolling their said course of instruction, by the United States mail, and by various other means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including, but not limited to advertising in nationally circulated magazines, brochures, circulars and form letters, for the purpose of inducing and which were likely to induce,

directly, or indirectly, the purchase of said course of instruction in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 6. By means of statements and representations contained in said advertisements and promotional material, disseminated as aforesaid, the respondents have represented, directly or by implication:

1. That persons completing respondents' said correspondence course of instruction in practical nursing will thereby have become and will thereby be proficient and competent in the performance of the duties and functions of a practical nurse.

2. That persons completing respondents' said correspondence course of instruction in practical nursing will thereby have become and will thereby be a practical nurse.

3. That persons completing respondents' said correspondence course of instruction in practical nursing will thereby be qualified and enabled to secure employment as a practical nurse on general or private duty with hospitals, institutions, individuals or similar or related places of employment.

PAR. 7. In truth and in fact:

1. Persons completing respondents' said course of instruction in practical nursing will not thereby have become and will not thereby be proficient or competent in the performance of the duties and functions of a practical nurse.

2. Persons completing respondents' said correspondence course of instruction in practical nursing will not thereby have become and will not thereby be a practical nurse.

3. Persons completing respondents' said correspondence course of instruction in practical nursing will not thereby have become and will not thereby be qualified and enabled to secure employment as a practical nurse on general or private duty with hospitals, institutions, individuals, or similar or related places of employment.

PAR. 8. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of said correspondence course from the respondents, by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute,

unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent American Institute of Practical Nursing, Inc., 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 located at 120 South State Street, Chicago, Illinois.

Respondent Bernard Dunn is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents American Institute of Practical Nursing, Inc., a corporation, and Bernard Dunn, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of correspondence courses of instruction in practical nursing or any similar or related course of instruction in commerce, as "commerce"

is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing directly or indirectly:

1. That persons completing said courses of instruction will thereby have become and will thereby be proficient and competent in the performance of the duties and functions of a practical nurse; or otherwise misrepresenting in any manner the training and experience afforded by respondents' course of instruction.

2. That persons completing said courses of instruction will thereby have become and will thereby be a practical nurse.

3. That persons completing said courses of instruction will thereby have become and will thereby be qualified and enabled to secure employment as a practical nurse on general or private duty with hospitals, institutions, individuals or similar or related places of employment; or otherwise misrepresenting in any manner the employment for which persons completing respondents' courses of instruction will be qualified.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

RAY SELIG, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket C-997. Complaint, Sept. 21, 1965—Decision, Sept. 21, 1965

Consent order requiring New York City importers, manufacturers and jobbers of mill waste, to cease misbranding garnetted fibers and other wool products by failing to label with information required by the Wool Products Labeling Act and its rules, furnishing false guaranties that such wool products were not misbranded, and misrepresenting the fiber content of said products on invoices and shipping memoranda in violation of the Federal Trade Commission Act.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Ray Selig, Inc., a cor-

portion, and Raymond J. Selig, individually and as an officer of said corporation hereinafter referred to as respondents, have violated the provisions of the said Acts and the Rules and Regulations promulgated under the Wood Products Labeling Act of 1939, 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 Ray Selig, 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 1265 Broadway, New York, New York. Individual respondent, Raymond J. Selig, is an officer of said corporation and formulates, directs and controls the acts, policies and practices of said corporation. His address is the same as that of said corporation.

Respondents are importers, manufacturers and jobbers of mill waste.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain garnetted fibers which were not stamped, tagged or labeled with any of the information required by the aforesaid Act and Regulations.

PAR. 4. Respondents furnished false guaranties that certain of their wool products were not misbranded, when respondents in furnishing such guaranties had reason to believe that wool products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 9(b) of the Wool Products Labeling Act of 1939.

PAR. 5. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder,

and constituted, and now constitute unfair and deceptive acts and practices and unfair methods of competition in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the fiber content of certain of their said products.

Among such misrepresentations, but not limited thereto, were statements representing the fiber content thereof as "100% Cashmere" whereas in truth and in fact the product contained substantially different fibers and amounts of fibers than represented.

PAR. 7. In the course and conduct of their business, respondents now cause and for some time last past, have caused their said products, when sold, to be shipped from their place of business in the State of New York to purchasers located in various other States of the United States, and maintain, and at all times mentioned herein, have maintained a substanial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 8. The acts and practices set out in Paragraph Six have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and to cause them to misbrand products sold by them in which said materials were used.

PAR. 9. The aforesaid acts and practices of respondents as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said

agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Ray Selig, 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 1265 Broadway, New York, New York.

Respondent Raymond J. Selig is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Ray Selig, Inc., a corporation, and its officers, and Raymond J. Selig, individually and as an officer of said corporation, and respondents' representatives, agents, commission garnetters and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of garnetted fibers or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by failing to securely affix to, or place on, each such product a stamp, tag, label or other means of identification showing in a clear and conspicuous manner each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That Ray Selig, Inc., a corporation, and its officers, and Raymond J. Selig, individually and as an officer of said corporation, and respondents' representatives, agents, commission garnetters and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of garnetted fibers or other wool products as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939,

do forthwith cease and desist from furnishing a false guaranty that any wool product is not misbranded, when the respondents have reason to believe that such wool product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That respondents Ray Selig, Inc., a corporation, and its officers, and Raymond J. Selig, individually and as an officer of said corporation, and respondents' representatives, agents, commission garnetters and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of garnetted fibers or any other textile products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in fibrous or part fibrous stock or any other textile products on invoices or shipping memoranda applicable thereto or in any other manner.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF

MIDWAY HAT CO., INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT

Docket C-998. Complaint, Sept. 23, 1965—Decision, Sept. 23, 1965

Consent order requiring Yonkers, N. Y., manufacturer and distributor of women's hats—purchasing hat bodies from importers and removing the country of origin before converting said bodies into finished hats—to cease selling hats containing imported hat bodies unless the country of origin of such imported bodies has been clearly disclosed.

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 Midway Hat Co., Inc., a corporation, and Sol Feinberg, individually and as an officer of said corporation, hereinafter referred to as respondents, have 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 Midway Hat 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 principal office and place of business located at 25 North Broadway in the city of Yonkers, State of New York.

Respondent Sol Feinberg is an officer of the corporate respondent. He formulates, direct and controls the acts, practices and policies of the corporate respondent, including the acts, practices and policies hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for the past two years have been, engaged in the manufacturing, offering for sale, sale and distribution of women's hats, to wholesalers and retailers for resale to the public.

PAR. 3. In the course and conduct of their aforesaid business, respondents now cause, and for sometime last past have caused, their said hats to be transported from their place of business in the State of New York to purchasers thereof located in various other States of the United States and the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said hats in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents purchase hat bodies from importers, convert said bodies into finished hats and sell them. When the aforesaid hat bodies are received by respondents, they bear words stamped into the brims thereof, near the edge, or on tags attached thereto, disclosing the foreign country of origin of the bodies. In the course of finishing the hats, respondents remove the words stamped into the brims of the hat bodies so marked by shearing off the edges of the brims and remove the tags from the hat bodies so marked. When the finished hats are sold by respondents, said hats bear no disclosure of the foreign country of origin of the imported bodies from which they are made.

PAR. 5. In the absence of an adequate disclosure of the foreign country of origin of imported products or substantial parts thereof, including women's hats and the bodies from which such hats are made, the public understands and believes that such products are entirely of domestic origin, a fact of which the Commission takes official notice.

A substantial portion of the purchasing public has a preference for products, including women's hats, which are entirely of domestic origin, a fact of which the Commission also takes official notice.

PAR. 6. Through the use of the aforesaid practices, respondents place in the hands of retailers the means and instrumentalities by and through which they may mislead and deceive the public as to the origin of respondents' hats.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of hats of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid practices has had, and now has, the capacity and tendency to mislead and deceive members of the purchasing public into the purchase of substantial quantities of respondents' hats in the erroneous and mistaken belief that said hats are entirely of domestic origin.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act, and having de-

termined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Midway Hat 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 at 25 North Broadway, Yonkers, New York.

Respondent Sol Feinberg is an officer of the corporate respondent and his address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Midway Hat Co., Inc., a corporation, and its officers, and Sol Feinberg, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of hats or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale or selling hats containing bodies which have been made in a foreign country unless the country of origin of such bodies is revealed by a marking or stamping on an exposed surface of the hats which is of such conspicuousness as to be clearly visible to prospective purchasers of the hats and so placed as not to be readily hidden or obliterated, and of such a degree of permanency as to remain on the hats until sold to the consumer;

2. Furnishing the means and instrumentalities to others by and through which they may mislead the public as to the country of origin of such hats.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.