

Complaint

46 F. T. C.

IN THE MATTER OF

HENRY G. PEARL AND MILDRED PEARL, TRADING AS
PEARL GARMENT CO., MODE CRAFT CO., AND MODE
CRAFTCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914, AND AN ACT
OF CONGRESS APPROVED OCT. 14, 1940*Docket 5489. Complaint, Apr. 1, 1947—Decision, May 10, 1950*

Where three partners engaged in the manufacture and interstate sale and distribution of women's wearing apparel made from fabrics or piece goods, which were composed in some cases of 100 percent virgin wool, and in others of varying combinations of wool and reused wool and cotton, and were "wool products" within the intent and meaning of the Wool Products Labeling Act, and subject to its provisions—

Sold misbranded coats, which, labeled as 100 percent wool, contained only 70 percent wool and 20 percent reused wool and labels on which, in certain instances, contained no reference to the fiber content of the cotton interlining; and sold wool skirts which did not have on or affixed thereto the required stamp, tag, label or other means of identification showing the percentage of the total fiber weight of "wool," "reprocessed wool," "re-used wool," fiber other than wool, and other information called for by said act and rules and regulations promulgated thereunder:

Held, That such acts and practices were in violation of the provisions of the Wool Products Labeling Act of 1939 and said rules and regulations, and were to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Before *Mr. William L. Pack*, trial examiner.

Mr. DeWitt T. Puckett for the Commission.

Mr. Isadore H. Hermann, of Camden, N. J., for respondents.

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 Henry G. Pearl and Mildred Pearl, individually and as copartners trading as Pearl Garment Co., Mode Craft Co., and Mode Craft, 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. The respondents, Henry G. Pearl and Mildred Pearl, are individuals doing business as copartners under the trade names of Pearl Garment Co., Mode Craft Co., and Mode Craft, and have their office and principal place of business at 620 Viola Street, Camden, N. J.

PAR. 2. Respondents are engaged in the introduction and manufacture for introduction into commerce and in the offering for sale, sale, transportation, and distribution of wool products, as such products are defined in the Wool Products Labeling Act of 1939, in commerce, as "commerce" is defined in said act and in the Federal Trade Commission Act. Many of the respondents' said products are composed in whole or in part of wool, reprocessed wool, or reused wool as those terms are defined in the Wool Products Labeling Act of 1939, and such products are subject to the provisions of said act and the rules and regulations promulgated thereunder. Since July 15, 1941, respondents have violated the provisions of said act and said rules and regulations in the introduction and manufacture for introduction into commerce, and in the offering for sale, sale, transportation, and distribution, of said wool products in said commerce by causing said wool products to be misbranded within the intent and meaning of said act and the rules and regulations.

PAR. 3. Among the wool products introduced and manufactured for introduction into commerce and offered for sale, sold, transported, and distributed, in commerce as aforesaid, are ladies' coats and suits. Exemplifying respondents' practice of violating said act and the rules and regulations promulgated thereunder, is their misbranding of the aforesaid wool products in violation of the provisions of said act and said rules and regulations by failing to affix to said wool products a stamp, tag, label, or other means of identification, or a substitute in lieu thereof, as provided by said act, showing (a) the percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding five per centum of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber was five per centum or more, and (5) the aggregate of all other fibers; (b) the maximum percentage of the total weight of the wool product of non-fibrous loading, filling or adulterating matter; (c) the percentages in words and figures plainly legible by weight of the wool contents of such wool product where said wool product contains a fiber other than

Findings

46 F. T. C.

wool; (d) the name of the manufacturer of the wool product, or the manufacturer's registered identification number and the name of a seller or reseller of the product as provided for in the rules and regulations promulgated under such act, or the name of one or more persons subject to section 3 of said act with respect to such wool product.

Respondents have further violated the said act and the rules and regulations promulgated thereunder by their failure to set forth the fiber content of interlinings of their garments. Respondents have also violated said act and the rules and regulations promulgated thereunder by their failure to label the skirts of the suits sold by them, as required by said act.

PAR. 4. The aforesaid acts, practices and methods of respondents, as alleged constitute misbranding and were and are in violation of the Wool Products Labeling Act of 1939, and the rules and regulations promulgated thereunder, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said acts, the Federal Trade Commission on April 1, 1947, issued and subsequently served upon the respondents named in the caption hereof its complaint, charging said respondents with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of those acts. After the filing of the respondents' answer and the designation of a trial examiner by the Commission, a stipulation of facts in lieu of all other evidence was entered into on the record by and between counsel for the respondents and counsel in support of the complaint. Thereafter, this proceeding regularly came on for final hearing before the Commission upon the complaint, the respondents' answer thereto, the aforesaid stipulation of facts, and the trial examiner's recommended decision (no briefs having been filed and oral argument not having been requested); and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondents, Henry G. Pearl and Mildred Pearl, are individuals who for a number of years immediately preceding Oc-

tober 1948 were engaged[†] in business as copartners under the trade names Pearl Garment Co., Mode Craft Co., and Mode Craft, their office and principal place of business being located at 620 Viola Street, in the city of Camden, State of New Jersey. The respondents were engaged in the manufacture and in the sale of women's wearing apparel, and they caused their products, when sold, to be shipped from their place of business in the State of New Jersey to purchasers thereof located in various other States of the United States.

PAR. 2. Many of the respondents' products so manufactured and sold were composed in whole or in part of wool, reprocessed wool, or reused wool, as those terms are defined in the Wool Products Labeling Act of 1939. Such products were therefore "wool products" within the intent and meaning of said act, and were subject to the provisions thereof and to the rules and regulations promulgated thereunder.

Among the fabrics or piece goods used by the respondents in the manufacture of the aforesaid products were fabrics or piece goods composed of 100 percent virgin wool, while others of such fabrics and piece goods contained varying percentages or combinations of wool and reused wool and cotton.

PAR. 3. An inspection of 330 of the respondents' coats which had been labeled and sold and distributed in interstate commerce as 100 percent wool disclosed that these coats actually contained only 70 percent wool and 30 percent reused wool. This inspection also revealed that certain of the coats contained a cotton interlining, but no reference to the fiber content of the interlining was made on any of the tags or labels affixed by the respondents to these garments. The inspection revealed further that the skirts of certain of the suits manufactured and sold in commerce by the respondents, and which were composed of wool, had no tags or labels affixed thereto disclosing the fiber contents of such skirts.

PAR. 4. The wool products manufactured for introduction into commerce and sold, transported and distributed in commerce by the respondents, as aforesaid, were misbranded within the intent and meaning of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder, in that each of said products did not spondents, as aforesaid, were misbranded within the intent and meaning of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder, in that each of said products did not exceeding 5 per centum of said total fiber weight of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool where said percentage by weight of such fiber was 5 per centum or more; and (5) the aggregate of all other fibers; (b) the maximum

Order

46 F. T. C.

percentage of the total weight of the wool product, of any nonfibrous loading, filling or adulterating matter; or (c) in the case of such wool product containing a fiber other than wool, the percentages by weight, in words and figures plainly legible, of the wool contents thereof.

PAR. 5. The record indicates that the respondents have discontinued the practices above referred to and that all of the respondents' products are now properly labeled in accordance with the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder.

CONCLUSION

The acts and practices of the respondents, as herein found, were in violation of the provisions of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder, and were to the prejudice and injury of the public and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the respondents' answer thereto, a stipulation of facts entered into by and between counsel for the respondents and counsel in support of the complaint, and the trial examiner's recommended decision (no briefs having been filed and oral argument not having been requested); and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Wool Products Labeling Act of 1939 and the provisions of the Federal Trade Commission Act:

It is ordered, That the respondents, Henry G. Pearl and Mildred Pearl, individually and as copartners trading under the names Pearl Garment Co., Mode Craft Co., and Mode Craft, or trading under any other name, and their agents, representatives, and employees, directly or through any corporate or other device, in connection with the manufacture for introduction, or introduction, into commerce, or the sale, transportation, or distribution in commerce, as "commerce" is defined in the aforesaid acts, of women's coats, suits or other articles of wearing apparel, which contain, purport to contain, or in any way are represented as containing "wool," "reprocessed wool" or "reused wool," as those terms 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 of such products

a stamp, tag, label, or other means of identification, or a substitute therefor, showing in a clear and conspicuous manner:

(A) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool where said percentage by weight of such fiber is 5 per centum or more; and (5) the aggregate of all other fibers;

(B) The maximum percentage of the total weight of such wool product, of any nonfibrous loading, filling, or adulterating matter;

(C) In the case of a wool product containing a fiber other than wool, the percentages by weight, in words and figures plainly legible, of the wool contents thereof;

Provided, That the foregoing shall not be construed to prohibit acts permitted by paragraphs (a) and (b) of section 3 of the Wool Products Labeling Act of 1939; *And provided, further*, That nothing contained in this order shall be construed as limiting any applicable provision of said act or the rules and regulations promulgated thereunder.

It is further ordered, That the respondents shall, within 60 days after services 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 said order.

Complaint

46 F. T. C.

IN THE MATTER OF

ALEXANDER CONN AND LIONEL CONN DOING BUSINESS AS CONN'S CLOTHIERS

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914, AND AN ACT OF CONGRESS APPROVED OCT. 14, 1940

Docket 5716. Complaint, Dec. 2, 1949—Decision, May 10, 1950

Where two individuals engaged in selling to the general public from their store, wool products composed in whole or in part of "wool," "reprocessed wool," or "reused wool" as defined in the Wool Products Labeling Act, including men's wearing apparel and other garments which they purchased from manufacturers both in other States and their own, and which they sold to purchasers in other States—

- (a) Sold some of the aforesaid wool products which were misbranded in violation of the Wool Products Labeling Act and the rules and regulations promulgated thereunder, in that there was not affixed to them the required stamp, tag, label, or other means of identification showing the percentage of wool and nonwool fiber and aggregate, including filling or adulterating matter, and identification of the manufacturer or seller; and
- (b) With intent to violate said act and rules, etc., removed and mutilated and caused and participated in the removal and mutilation, after receipt of products concerned and prior to their offer or sale, of such stamps, etc., which had been affixed to said wool products by the manufacturer or other authorized person, and did not replace them with substitute stamps, etc.;

With the result that the products concerned, when offered and sold by them to the general public, did not have affixed thereto stamps, etc., containing the information required by law:

Held, That said acts, practices, and methods, under the circumstances set forth, were in violation of said Wool Products Labeling Act and rules and regulations promulgated thereunder, and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Mr. DeWitt T. Puckett for the Commission.

Spengler, Nathanson, Hebenstreit & Heyman, of Toledo, Ohio, for respondents.

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 Alexander Conn and Lionel Conn, doing business as Conn's Clothiers, 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