

Complaint

IN THE MATTER OF
SNAPPY FASHIONS, INC. ET AL.

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

Docket 5918. Complaint, Aug. 20, 1951—Decision, Nov. 24, 1951

Where a corporation and its president, engaged in the manufacture, sale and distribution in commerce of wool products as defined in the Wool Products Labeling Act—

Misbranded certain ladies' coats with interlinings within the intent and meaning of said Act and rules and regulations relating thereto in that (1) they were falsely and deceptively labeled with respect to the character and amount of the constituent fibers; (2) they did not have affixed to the interlinings a separate stamp, tag or label setting forth similar information as required; and (3) falsely labeled as "100% wool", they contained no separate disclosure as to interlining content:

Held, That such acts and practices, under the circumstances set forth, were in violation of the provisions of said Act and 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.

Before *Mr. Earl J. Kolb*, trial examiner.

Mr. Jesse D. Kash and *Mr. C. J. Aimone* for the Commission.

Mr. Manuel S. Gottdenker, of New York City, 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 Snappy Fashions, Inc., a corporation, and Jules Levy, individually and as an officer of said corporation 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, Snappy Fashions, 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 place of business located at 222 West 37th Street, New York, N. Y. Respondent Jules Levy is located at the same address. He is president of corporate re-

spondent and in such capacity formulates and executes its policies and practices.

PAR. 2. Subsequent to the effective date of the Act and more especially since January 1950, respondents manufactured for introduction into commerce and offered for sale, sold and distributed into commerce as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded 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 of 1939 and in the manner and form prescribed by the Rules and Regulations relating thereto.

PAR. 4. Certain of said wool products were misbranded within the intent and meaning of the said Act and Rules and Regulations in that they were falsely and deceptively labeled with respect to the character and amount of the constituent fibers appearing therein. Such products were further misbranded in that the character and amount of the constituent fibers appearing in the interlinings thereof were not separately set forth on the stamp, tag or label as required by the said Act and Rule 24 (a) and (c) of the Regulations. Among the misbranded products aforementioned were ladies' coats containing interlinings. Such coats were labeled by the respondents as "100% wool." In truth and in fact, the coats were not 100% wool as labeled but contained substantial quantities of fibers other than wool. The label contained no separate disclosure as to interlining content.

PAR. 5. The acts and practices of respondents, as herein alleged, were 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.

DECISION OF THE COMMISSION

Pursuant to Rule XXII of the Commission's Rules of Practice, and as set forth in the Commission's "Decision of the Commission and Order to File Report of Compliance," dated November 24, 1951, the initial decision in the instant matter of Trial Examiner Earl J. Kolb, as set out as follows, became on that date the decision of the Commission.

INITIAL DECISION BY EARL J. KOLB, TRIAL EXAMINER

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 August 20, 1951, issued and subsequently served its complaint in this proceeding upon the respondents, Snappy Fashions, Inc., a corporation, and Jules Levy, individually and as officer of said corporation, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of those Acts. On October 8, 1951, respondents filed their answer, in which answer they admitted all the material allegations of facts set forth in said complaint and waived all intervening procedure and further hearings as to the said facts. Thereafter, the proceeding regularly came on for final consideration by the above-named trial examiner theretofore duly designated by the Commission upon said complaint and answer thereto, all intervening procedure having been waived, and said trial examiner, having duly considered the record herein, finds that this proceeding is in the interest of the public and makes the following findings as to the facts, conclusion drawn therefrom, and order:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Snappy Fashions, 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 place of business located at 222 West 37th Street, New York, New York. Respondent Jules Levy is located at the same address. He is president of corporate respondent and in such capacity formulates and executes its policies and practices.

PAR. 2. Subsequent to the effective date of the Act and more especially since January 1950, respondents manufactured for introduction into commerce and offered for sale, sold and distributed in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, wool products, as "wool products" are defined therein.

PAR. 3. Certain of said wool products were misbranded 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 of 1939 and in the manner and form prescribed by the Rules and Regulations relating thereto.

PAR. 4. Certain of said wool products were misbranded within the intent and meaning of the said Act and Rules and Regulations in that they were falsely and deceptively labeled with respect to the character

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and amount of the constituent fibers appearing therein. Such products were further misbranded in that the character and amount of the constituent fibers appearing in the interlinings thereof were not separately set forth on the stamp, tag or label as required by the said Act and Rule 24 (a) and (c) of the Regulations. Among the misbranded products aforementioned were ladies' coats containing interlinings. Such coats were labeled by the respondents as "100% wool." In truth and in fact, the coats were not 100% wool as labeled but contained substantial quantities of fibers other than wool. The label contained no separate disclosure as to interlining content.

CONCLUSION

The acts and practices of the respondents in the manufacture for introduction into commerce and in the sale, transportation and distribution in commerce of wool products which were misbranded, 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

It is ordered, That the respondent, Snappy Fashions, Inc., a corporation, and its officers, and the respondent, Jules Levy, individually and as an officer of said respondent corporation, and said respondents' respective representatives, agents and employees, directly or through corporate or other devices, in connection with the introduction or manufacture for introduction into commerce or the sale, transportation or distribution in commerce, as "commerce" is defined in the aforesaid Acts, of ladies' coats or other wool products, as such products are defined in and subject to the Wool Products Labeling Act of 1939, which products contain, purport to contain, or in any way are represented as containing "wool," "reprocessed wool" or "reused wool," as those terms are defined in said Act, do forthwith cease and desist from misbranding such products by:

(1) Falsely or deceptively representing on any stamp, tag, label or other means of identification affixed to any such product the character or amount of the constituent fibers thereof.

(2) Failing to securely affix or place on such product a stamp, tag, label or other means of said identification showing in a clear and conspicuous manner:

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(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding 5% 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 percentum or more and,
5. the aggregate of all other fibers.

(b) The maximum percentage of the total weight of such wool product of any non-fibrous loading, filling or adulterating matter.

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce or in the offering for sale, sale, transportation, distribution or delivering for shipment thereof in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939.

(3) Failing to separately set forth on the required stamp, tag or label or other means of identification the character and amount of the constituent fibers of the interlinings of any such wool product.

Provided, that the foregoing provisions concerning misbranding 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 provisions of said Act or the Rules and Regulations promulgated thereunder.

ORDER TO FILE REPORT OF COMPLIANCE

It is 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 the order to cease and desist [as required by said declaratory decision and order of November 24, 1951].

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IN THE MATTER OF
RAYCREST MILLS, INC.

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

Docket 5834. Complaint, Dec. 19, 1950—Decision, Nov. 28, 1951

Where a corporation engaged in the manufacture of men's suiting materials, ladies' dress goods and similar fabrics which were sold and distributed in commerce and were wool products as defined in the Wool Products Labeling Act—

Misbranded fabrics composed of 80 percent rayon and 20 percent wool within the intent and meaning of said Act and the rules and regulations promulgated thereunder, in that they did not have on or affixed thereto a stamp, tag, label or other means of identification showing their constituent fibers and the percentages thereof and other information required:

Held, That such acts and practices, under the circumstances set forth, were in violation of the provisions of said Act and rules and regulations, and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Webster Ballinger*, hearing examiner.

Mr. Henry D. Stringer for the Commission.

Conrad & Smith, of New York City, for respondent.

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 Raycrest Mills, Inc., a corporation, hereinafter referred to as respondent, has violated the provisions of said Acts and 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. Raycrest Mills, Inc., is a corporation organized under and by virtue of the laws of Rhode Island, with its office and place of business located at 560 Mineral Spring Avenue, Pawtucket, Rhode Island.

PAR. 2. Subsequent to July 15, 1941, respondent has violated the provisions of the Wool Products Labeling Act of 1939, and the Rules and Regulations promulgated thereunder, by manufacturing for introduction into commerce, introducing into commerce, offering for