

Complaint

IN THE MATTER OF
LOVELY LADY COMFORT CO. ET AL.

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

Docket 6338. Complaint, May 2, 1955—Decision, July 26, 1955

Consent order requiring a manufacturer in Philadelphia, Pa., to cease violating the Wool Products Labeling Act and the Federal Trade Commission Act, by labeling as "100% Reprocessed Wool," bed comforters made with battings which contained large quantities of non-woolen fibers, and through failing to label such comforters with the information required.

Before *Mr. James A. Purcell*, hearing examiner.

Mr. George Steinmetz for the Commission.

Mr. Benjamin Tannenbaum, 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 Lovely Lady Comfort Co., a corporation, and Morton Cohen, individually, and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, 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 Lovely Lady Comfort Co., is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania. Respondent Morton Cohen is president and treasurer of said respondent corporation, and this individual formulates, directs and controls the acts, policies and practices of said corporate respondent. The office and principal place of business of said respondents is located at 3rd and Ontario Streets, Philadelphia 40, Pennsylvania.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since the commencement of the year 1953, respondents have manufactured for introduction into commerce, introduced, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Wool Products Labeling Act of 1939, wool products, as the term "wool Products" is defined therein.

PAR. 3. Certain of said wool products were misbranded within the meaning and intent of Section 4 (a) (1) of said Wool Products Labeling Act and of 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 composing the paddings or battings contained therein.

Among such misbranded wool products were bed comforters labeled or tagged by respondents as containing "100% Reprocessed Wool" and "50% Reprocessed Wool, 50% Rayon"; whereas, in truth and in fact, the paddings or battings contained therein did not consist of 100% reprocessed wool; or 50% reprocessed wool and 50% rayon; as the term "Reprocessed Wool" is defined in said Act, but contained lesser quantities of reprocessed wool, and reprocessed wool and rayon, and greater quantities of non-woolen and non-rayon fiber than represented by the respondents as aforesaid.

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

PAR. 5. The acts and practices of the respondents, as herein alleged, 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 meaning and intent of the Federal Trade Commission Act.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

1. The Federal Trade Commission on May 2, 1955, issued its complaint in this proceeding charging the respondents with violation of the Federal Trade Commission Act and of the Wool Products Labeling Act of 1939, as will more particularly appear by reference to said complaint. Due service of the complaint was had on the respondents and thereafter, on June 7, 1955, respondents entered into a Stipulation or Agreement for Consent Order with counsel supporting the complaint, all in conformity with Rule 3.25 of the Commission's Rules of Practice. Thereafter said Agreement was submitted to the hearing examiner who, being of opinion that the Agreement effectually disposes of all of the issues herein, hereby accepts same, with the proviso that this Initial Decision shall not become a part of the official record of this proceeding unless and until it becomes the official decision of the Commission.

2. The Agreement recites that respondents, Lovely Lady Comfort Co., a corporation, and Morton Cohen, individually and as an officer of said corporation, during all of the times mentioned therein have been engaged in the manufacture, sale and distribution of wool products in commerce, as "commerce" is defined in the said Wool Products Labeling Act of 1939; the Lovely Lady Comfort Co., is a corporation organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania with its office and principal place of business located at 3rd and Ontario Streets, Philadelphia 40, Pennsylvania; that the individual respondent, Morton Cohen, is president and treasurer of the corporate respondent and maintains his office and principal place of business at the same address.

3. By said Agreement respondents specifically admit all of the jurisdictional allegations set forth in the complaint and agree that the record herein may be taken as though the hearing examiner or the Commission had made findings of jurisdictional facts in accordance with such allegations; that the order therein agreed upon shall have the same force and effect as if made upon a full hearing, presentation of evidence and findings and conclusions based thereon, specifically waiving any and all right, power or privilege to contest the validity of said order; that the complaint herein may be used in construing the terms of said order, which order may be altered, modified or set aside in the manner provided by statute affecting orders of the Commission. All of the parties to said Agreement waived the filing of answer; hearing before a hearing examiner or the Commission; the making of findings of fact or conclusions of law by the hearing examiner or the Commission; the filing of exceptions and oral argument before the Commission; all further and other procedure before the hearing examiner and the Commission to which the respondents might otherwise, but for the execution of said Agreement or Stipulation, be entitled under the Federal Trade Commission Act or the Wool Products Labeling Act of 1939 or the Rules of Practice of the Commission. It was further agreed that the said Agreement or Stipulation, together with the complaint, shall constitute the entire record herein.

4. Pursuant to the intent of said Agreement and of the facts therein recited, and that the order embodied therein is identical to the order *nisi* accompanying the complaint, the hearing examiner, being of the opinion that the order agreed upon will effectually safeguard the public interest, finds that this proceeding is in the public interest and issues the following order:

Order

52 F. T. C.

ORDER

It is ordered, That the respondent, Lovely Lady Comfort Co., a corporation, and its officers, and respondent Morton Cohen, 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 introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of bed comforters or other "wool products," as such products are defined in and are 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 such terms are defined in said Act, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers included 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:

- (a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum 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 five 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 delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

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.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Sec. 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 26th day of July, 1955, become the decision of the Commission; and, accordingly:

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.

Complaint

52 F. T. C.

IN THE MATTER OF
HARRY KAYE OF HACKENSACK, INC., ET AL.

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

Docket 6320. Complaint Apr. 1, 1955—Decision, July 27, 1955

Consent order requiring a furrier in Hackensack, N. J., to cease violating the Fur Products Labeling Act and the Federal Trade Commission Act through failing to disclose the names of animals producing the fur in certain fur products, the fact that certain furs were artificially colored, and the name of the country of origin of imported furs; through misrepresenting prices as reduced from "regular" prices which were in fact fictitious, the amount of savings possible to purchasers, values of certain products, and products as being the stock of a business in liquidation; and by failing to keep adequate records on which such claims of savings were purportedly based.

Before *Mr. Frank Hier*, hearing examiner.

Mr. John T. Walker for the Commission.

Mr. Robert G. Leff, of Newark, N. J., for respondents.

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 Harry Kaye of Hackensack, Inc., a corporation, and Harry Kaplan, 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 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, Harry Kaye of Hackensack, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey. Respondent Harry Kaplan, an individual, is president of respondent, Harry Kaye of Hackensack, Inc., and in said capacity formulates and controls the policies and practices of said corporate respondent. The said corporate respondent and said individual respondent have their office and principal place of business located at 331 Main Street, Hackensack, New Jersey.

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 sale, advertising