

Complaint

IN THE MATTER OF
CHESTER A. PAGE DOING BUSINESS AS BROWNSVILLE
WOOLEN MILLS ET AL.

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

Docket 6360. Complaint, June 6, 1955—Decision, Sept. 8, 1955

Consent order requiring operators of a woolen mill at Brownsville, Ore., to cease violating the Wool Products Labeling Act by falsely labeling certain blankets as to their constituent fibers and by otherwise failing to conform to labeling requirements of the Act.

Before *Mr. Everett F. Haycraft*, hearing examiner.
Mr. R. D. Young, Jr. for the Commission.

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 Chester A. Page, individually, trading and doing business as Brownsville Woolen Mills, and Chester E. Page, individually, 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, Chester A. Page, is an individual trading and doing business under the name of Brownsville Woolen Mills. Respondent Chester E. Page is superintendent of the mill operated by Chester A. Page as Brownsville Woolen Mills and is responsible for the tagging and labeling of wool products manufactured at said mill as to the fiber content thereof. Said respondents have their offices and principal place of business at Brownsville, Oregon.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January 1951, respondent Chester A. Page, doing business as Brownsville Woolen Mills, has 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 products" are defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of Section 4 (a) (1) of said 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 products were blankets labeled or tagged as consisting of "25% Virgin Wool, 75% Reused Wool," and "25% Wool, 75% Reused Wool," whereas in truth and in fact said blankets did not consist of 25% virgin wool, 75% reused wool, or 25% wool, 75% reused wool as those terms are defined in the Wool Products Labeling Act.

PAR. 4. Certain of said wool products described as blankets were misbranded by respondents 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 respondents, as herein alleged, constitute misbranding of wool products and are in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder; and all of the aforesaid acts and practices, as alleged herein, are to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

INITIAL DECISION BY EVERETT F. HAYCRAFT, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on June 6, 1955, charging them with the misbranding of woolen products in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and with unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act. After being duly served with said complaint and before an answer was received, the respondents entered into an agreement with counsel supporting the complaint, dated July 6, 1955, providing for the entry of a consent order disposing of all the issues in this proceeding. Said agreement has been approved by the Director of the Bureau of Litigation and has been submitted to the above-named hearing examiner, heretofore duly designated, for his consideration in accordance with Section 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional allegations of the complaint and agreed that the

record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with such allegations. Said agreement further provides that respondents expressly waive the filing of an answer herein, a hearing before a hearing examiner, 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 and all further and other procedure before the hearing examiner and the Commission to which respondents may be entitled under the Federal Trade Commission Act or the Rules of Practice of the Commission. Respondents have also agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if made after a full hearing, presentation of evidence, and findings and conclusions thereon, and specifically waive any and all right, power, or privilege to challenge or contest the validity of said order. It was also agreed that the aforesaid agreement, together with the complaint, shall constitute the entire record herein; that the said complaint may be used in construing the terms of the order provided for in said agreement; that said agreement is subject to approval in accordance with Sections 3.21 and 3.25 of the Commission's Rules of Practice; that the order issued herein shall have no force and effect unless and until it becomes the order of the Commission; and that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

This proceeding having now come on for final consideration by the hearing examiner on the complaint and the aforesaid agreement for consent order and it appearing that said agreement provides for an appropriate disposition of this proceeding, the same is hereby accepted by the hearing examiner who makes the following findings for jurisdictional purposes and order:

1. Respondent Chester A. Page is now and has been at all times mentioned herein an individual trading and doing business under the name of Brownsville Woolen Mills, and respondent Chester E. Page is now and has been at all times mentioned herein superintendent of said Brownsville Woolen Mills, and both said respondents have their office and principal place of business located at Brownsville, Oregon.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named; the complaint herein states a cause of action against said respondents under the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939.

Order

52 F. T. C.

ORDER

It is ordered, That respondent Chester A. Page, individually, trading and doing business as Brownsville Woolen Mills, or trading under any other name, and respondent Chester E. Page, individually, 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 blankets 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 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 percentages by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

- (b) The maximum percentages 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, and

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 Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 8th day of September, 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
IRVING KATHMAN DOING BUSINESS AS HATHAWAY
WATCH COMPANY

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

Docket 6357. Complaint, June 6, 1955—Decision, Sept. 13, 1955

Consent order requiring a seller in New York City to jobbers and dealers to cease representing that exaggerated, fictitious prices of "Hathaway" watches were the usual retail prices, that the watches were "jeweled," manufactured by him, and fully guaranteed.

Before *Mr. James A. Purcell*, hearing examiner.
Mr. Frederick J. McManus for the Commission.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, having reason to believe that Irving Kathman, an individual doing business as and trading under the name of Hathaway Watch Company, 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 Irving Kathman is an individual doing business as and trading under the name of Hathaway Watch Company, with an office and principal place of business located at 545 Fifth Avenue, New York, New York. The said respondent is now and for several years last past has been engaged in the business of selling and distributing watches and other articles of merchandise. Said watches are so sold and distributed under the brand name Hathaway.

PAR. 2. In the course and conduct of his business respondent causes said watches, when sold, to be transported from his place of business in the State of New York to jobbers and dealers located in various other States and in the District of Columbia. Said jobbers and dealers in turn sell said watches to retailers for resale to the general public.

PAR. 3. In the course and conduct of his aforesaid business and for the purpose of inducing the purchase of his watches, the respondent has made many false, misleading and deceptive statements and representations relative to his said watches in display cards and in other written or printed matter which are widely circulated and distributed. Among and typical of such false, misleading and deceptive statements and representations are the following: