

Complaint

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IN THE MATTER OF

DUMAS OF CALIFORNIA, INC., ET AL.

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

Docket 6284. Complaint, Jan. 10, 1955—Decision, Sept. 22, 1955

Consent order requiring manufacturers in Los Angeles, Calif., to cease violating the Wool Products Labeling Act through falsely labeling ladies' coats as to vicuna, wool and cashmere content, and failing to label other coats as required.

Before *Mr. John Lewis*, hearing examiner.

Mr. George E. Steinmetz for the Commission.

Blau, Shaw & Miller, of Beverly Hills, Calif., and *Mr. Milton J. Levy*, 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 Dumas of California, Inc., a corporation, and Herbert Bass, 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 Dumas of California, Inc., is a corporation organized and existing under and by virtue of the laws of the State of California. Respondent Herbert Bass is President of said respondent corporation. This respondent individually formulates, directs and controls the acts, policies and practices of said corporate respondent. The offices and principal place of business of each said respondent are located at 818 South Broadway, Los Angeles 14, California.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January, 1954, 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 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 wool products were ladies' coats labeled or tagged by respondents as consisting of "50% Vicuna, 50% Wool"; "67% Cashmere, 33% Wool" and also "100% Wool"; whereas in truth and in fact said wool products did not consist of 50% vicuna, 50% wool; 67% cashmere, 33% wool nor 100% wool.

PAR. 4. Certain of said wool products described as ladies' coats 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 of 1939, and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

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

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on January 10, 1955, charging them with having violated the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and the Federal Trade Commission Act, through the misbranding of certain wool products. After being duly served with said complaint, respondents appeared by counsel and filed their answer thereto. Thereafter this proceeding came on for hearing before the undersigned, theretofore duly designated to act as hearing examiner in said proceeding, on July 22, 1955, in Washington, D. C. At the opening of said hearing and before the taking of testimony, there was submitted to the hearing examiner an agreement for consent order, dated July 12, 1955, and signed by counsel supporting the complaint, counsel for respondents, and respondents, and approved by the Director of the Commission's Bureau of Litigation, providing for the full disposition of this proceeding without hearing. After the submission of said agreement, counsel for respondents was permitted to make a statement for the record by way of explanation of the circumstances surrounding the particular viola-

tions charged in the complaint and in extenuation thereof. Counsel's remarks were received with the understanding that they did not constitute an admission by respondents concerning any of the substantive allegations of the complaint and that they did not impair the effectiveness of the agreement submitted to the hearing examiner, including the order therein provided for. There being nothing further to come before the hearing examiner, the hearing was thereupon closed on the basis of the aforesaid agreement for consent order.

Respondents, pursuant to the aforesaid agreement, have agreed to the withdrawal of their answer and 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 all parties expressly waive a hearing before the hearing examiner or the Commission, and all further and other procedure 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 for consent order shall have the same force and effect as if made after a full hearing, and specifically waive any and all right, power, or privilege to challenge or contest the validity of said order. It has been further agreed that the complaint herein may be used in construing the terms of the order provided for in said agreement, 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 on the complaint and the aforesaid agreement for consent order, the answer heretofore filed by respondents being hereby deemed withdrawn, and it appearing that the order provided for in said agreement for consent order conforms in all respects to the proposed order in the notice portion of the complaint and that said agreement provides for an appropriate disposition of this proceeding, the same is hereby accepted and ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Commission's Rules of Practice, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. The respondent corporation, Dumas of California, Inc., is a corporation organized and existing under and by virtue of the laws of the State of California with its principal place of business located at 818 South Broadway, Los Angeles, California. The respondent Herbert Bass is now and at all times mentioned in the complaint has been president of said corporate respondent and maintains his business

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office and address at the same address as the corporate respondent, namely 818 South Broadway, Los Angeles, California.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named. The complaint states a cause of action against said respondents under the Wool Products Labeling Act of 1939 and the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondent Dumas of California, Inc., a corporation; respondent Herbert Bass, 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 ladies' coats or other "wool products," as such products are defined in and are subject to the said Wool Products Labeling Act of 1939; which products contain, purport to contain, or in any manner 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 said 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.

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3. Misrepresenting in any manner the true character and amount of the constituent fibers used in the manufacture of such wool products, or the representative percentage of the various fibers contained therein.

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 22nd 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

IN THE MATTER OF

LILLI ANN CORP. ET AL.

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

Docket 6336. Complaint, Apr. 26, 1955—Decision, Sept. 22, 1955

Consent order requiring a manufacturer and its importing subsidiary in Los Angeles, Calif., to cease violating the Wool Products Labeling Act and the Federal Trade Commission Act through misbranding certain fabrics and ladies' coats as to their fiber content, using information on labels in French without an accompanying English translation, and falsely representing the content of piece goods in invoices, orders, and confirmations of orders.

Before *Mr. John Lewis*, hearing examiner.

Mr. George E. Steinmetz for the Commission.

Mr. Milton J. Levy, 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 Lilli Ann Corp., a corporation, Soufflet-America, Inc., a corporation, and Adolph P. Schuman, individually and as an officer of each of said corporations, hereinafter referred to as the 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. The corporate respondent Lilli Ann Corp., is a corporation organized and existing under and by virtue of the laws of the State of California, being engaged in the manufacture, sale and distribution of women's coats and suits. The corporate respondent Soufflet-America, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York and constitutes a wholly-owned subsidiary of said Lilli Ann Corp.; said Soufflet-America, Inc., functioning primarily as an importing organization for and on behalf of said Lilli Ann Corp.

Respondent Adolph P. Schuman is president of each of said corporate respondents and this individual respondent formulates, directs and controls the acts, policies and practices of each of said corporate respondents. The principal offices and places of business of all said