

IN THE MATTER OF
PREMIER KNITTING COMPANY, INC., ET AL.

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

Docket 6506. Complaint, Feb. 14, 1956—Decision, Aug. 2, 1956

Consent order requiring distributors in New York City to cease violating the Wool Products Labeling Act by labeling as "Pure Cashmere" and "Pure Imported Cashmere" ladies' sweaters which were a blend of hair from the Cashmere goat and sheep's wool; by failing to label certain of the sweaters with the name or registration number of the manufacturer, etc.; and by removing stamps, tags, etc., containing information required by the Act.

Mr. Floyd O. Collins for the Commission.

Rothstein & Korzenik, of New York City, for respondents.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on February 14, 1956, 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 served with said complaint, respondents appeared by counsel and filed their answer thereto. Thereafter they entered into an agreement containing consent order to cease and desist, dated May 21, 1956, purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by both respondents and by counsel supporting the complaint, and approved by the Director and Assistant Director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing examiner for his consideration, in accordance with Section 3.25 of the Commission's Rules of Practice and Procedure.

Respondents, pursuant to the aforesaid agreement, have agreed to withdraw their answer, have admitted all the jurisdictional facts alleged in the complaint, and have agreed that the record may be taken as if findings of jurisdictional facts had been made in accordance with such allegations. Said agreement further provides that respondents waive any further procedural steps before the hearing examiner and the Commission, the making of findings of fact or conclusions of law, and all of the rights they may have to challenge or contest the validity of the order to cease and desist entered into in accordance with said agreement. It has also been agreed that the order to cease and desist issued in accordance with

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said agreement shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has been further agreed that the aforesaid 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 containing consent order, and it appearing that the order therein provided for in said agreement covers all the allegations of the complaint and provides for an appropriate disposition of this proceeding as to all parties, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision pursuant to Sections 3.21 and 3.25 of the Rules of Practice and Procedure, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. Respondent Premier Knitting Company, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 1410 Broadway, New York, New York. Respondent Arnold A. Saltzman is Vice President and Secretary of the respondent Premier Knitting Company, Inc., and directs and controls the acts, practices and policies of said corporation. Said respondent's business address is 1410 Broadway, New York, New York.

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 the respondent Premier Knitting Company, Inc., a corporation, and its officers, and respondent Arnold A. Saltzman, individually and as an officer of said corporation, and respondents' respective representatives, agents and employees, directly or through any corporate or other device, in connection with the 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' sweaters 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, as that term is 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 product exclusive of ornamentation not exceeding five percentum of said total 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 provision of said Act or the Rules and Regulations promulgated thereunder.

It is further ordered, That respondent Premier Knitting Company, Inc., a corporation, and its officers and respondent Arnold A. Saltzman, individually and as an officer of said corporation, and respondents' respective representatives, agents and employees, directly or through any corporate or other device, in connection with the purchase, offering for sale, sale, or distribution of wearing apparel or any other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from causing or participating in the removal or mutilation of any stamp, tag, label, or other means of identification affixed to any such "wool product" pursuant to the Wool Products Labeling Act, with intent to violate the provisions of said Act, and

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which stamp, tag, label, or other means of identification purports to contain all or any part of the information required by said Act.

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 2nd day of August, 1956, 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.

IN THE MATTER OF
GLOVE CITY CHAMOIS COMPANY, INC., ET AL.

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

Docket 6508. Complaint, Feb. 14, 1956—Decision, Aug. 2, 1956

Consent order requiring distributors in Gloversville, N.Y., to cease representing falsely by labeling and use of the word "Chamois" in their corporate name and on letterheads, circulars, etc., that their "Deerskin Chamois" was a type of chamois, oil tanned, superior to genuine chamois, and was approved and endorsed by the New York State Weights and Measures and the Federal Trade Commission.

Mr. Charles S. Cox for the Commission.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

On February 14, 1956, the Federal Trade Commission issued its complaint in this proceeding, charging the Respondents with unfair and deceptive acts and practices and unfair methods of competition in commerce by misrepresenting some of their leather products as genuine chamois, in violation of the Federal Trade Commission Act.

On June 11, 1956, Respondents and counsel supporting the complaint entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director and Assistant Director of the Commission's Bureau of Litigation, and thereafter submitted to the Hearing Examiner for consideration.

Respondent Glove City Chamois Company, Inc. is identified in the agreement as a New York corporation, with its office and principal place of business located at 118 S. Main Street, Gloversville, New York, and Respondents Catherine Hauser and Benjamin Kaplan, respectively, are identified as the president and treasurer, and as the general manager, thereof, having their office at the same place as the corporate Respondent, the acts, practices and policies of which they formulate, direct and control.

Respondents admit all the jurisdictional facts alleged in the complaint and agree that the record may be taken as if findings of jurisdictional fact had been duly made in accordance with such allegations.

Respondents, in the agreement, waive any further procedure before the Hearing Examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity of the order to cease and