

IN THE MATTER OF
AMERICAN QUILT MANUFACTURING CO. ET AL.

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

Docket 6582. Complaint, June 29, 1956—Decision, Nov. 7, 1956

Consent order requiring a Chicago manufacturer of wool products, to cease violating the Wool Products Labeling Act by labeling as "All New Material Consisting of 100% All New Wool," bed comforters containing substantial amounts of other fibers and by failing to label certain comforters as required; and to cease violating the Federal Trade Commission Act by representing on advertising inserts that the comforters were moth proof and bacteria proof, by misrepresenting the constituent fibers, and by labeling with fictitious prices.

Mr. William R. Kearney for the Commission.

INITIAL DECISION BY FRANK HIER, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Federal Trade Commission on June 29, 1956, issued and subsequently served its complaint in this proceeding against respondent American Quilt Manufacturing Co., a corporation existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 913 West Roosevelt Road, Chicago, Illinois, and respondent Abraham Roth, individually and as an officer of the corporate respondent. The address of the individual respondent is the same as that of the corporate respondent.

On September 11, 1956, there was submitted to the undersigned hearing examiner an agreement between respondents and counsel supporting the complaint providing for the entry of a consent order. By the terms of said agreement, respondents admit all the jurisdictional facts alleged in the complaint; and agree that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. By such agreement, respondents waive any further procedural steps before the hearing examiner and the Commission; waive the making of findings of fact and conclusions of law; and waive all of the rights they may have to challenge or contest the validity of the order to cease and desist entered in accordance with this agreement. Such agreement further provides that it disposes of all of this proceeding as to all parties; that the record on which this initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this

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agreement; that the latter shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the 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; and that the following order to cease and desist may be entered in this proceeding by the Commission without further notice to respondents, and, when so entered, it shall have the same force and effect as if entered after a full hearing, and may be altered, modified, or set aside in the manner provided for other orders; and that the complaint may be used in construing the terms of the order.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent American Quilt Manufacturing Co., is a corporation existing and doing business under the laws of the State of Illinois, with its office and principal place of business located at 913 West Roosevelt Road, Chicago, Illinois. The individual respondent, Abraham Roth is an officer of the said corporate respondent, and his address is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That the respondents American Quilt Manufacturing Co., a corporation, and its officers, and Abraham Roth, 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 subject to said Wool Products Labeling Act, 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:

1. Misbranding such products by falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;

2. Misbranding such products by 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 provision 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.

It is further ordered, That American Quilt Manufacturing Co., a corporation, and its officers and Abraham Roth, 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 offering for sale, sale or distribution of bed comforters or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from directly or indirectly:

1. Representing in any manner that their bed comforters or other products are moth proof;
2. Representing in any manner that their bed comforters or other products are bacteria proof;
3. Misrepresenting in any way the constituent fiber or material used in their merchandise or the respective percentages thereof;
4. Representing in any manner that a certain amount is the usual and regular retail price for their products when such amount is in excess of the price at which their products are usually and regularly sold at retail;
5. Furnishing means or instrumentalities to others by and through which they may misrepresent the usual and regular retail price of respondents' products.

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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 7th day of November, 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
FRED BENIOFF CO., ET AL.

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

Docket 6587. Complaint, July 9, 1956—Decision, Nov. 7, 1956

Consent order requiring a San Francisco furrier to cease violating the Fur Products Labeling Act through false and deceptive labeling, invoicing and advertising which, variously, identified furs by names of animals other than those producing them; failed to disclose names of animals producing other furs, or that certain products were composed of artificially colored fur or cheap or waste fur; misrepresented prices as reduced from regular prices which were in fact fictitious; deceptively used claims of comparative and percentage savings, and failed to maintain adequate records as a basis for such claims; and failed in other respects to conform to the requirements of the Act.

Mr. George E. Steinmetz for the Commission.

Jaffa & Sumski by *Mr. Edmund M. Jaffa*, of San Francisco, Calif., for respondents.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued July 9, 1956, charged the respondents Fred Benioff Co., a corporation, and Homer Harris, individually and as an officer of said corporation, located at 166 Grant Avenue, San Francisco, California, with violation of the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder.

After the issuance of the complaint and the filing of their answer thereto, the respondents Fred Benioff Co., a corporation, and Homer Harris, individually and as an officer of said corporation, entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues in this proceeding, which agreement was duly approved by the Director and Assistant Director of the Bureau of Litigation. It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged in the complaint.

By the terms of said agreement, the said respondents admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.