

IN THE MATTER OF
ECONOMY PRODUCTS CORPORATION ET AL.

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

Docket 6705. Complaint, Jan. 8, 1957—Decision, Apr. 4, 1957

Consent order requiring a Chicago manufacturer to cease advertising and labeling as "All new material consisting of mothproofed all wool", "100% wool", and "100% New Wool", comforters which contained significant amounts of fibers other than wool; representing falsely that "Nylon is warmer than wool by actual test"; and preticketing the comforters with fictitious prices, in violation of the Wool Products Labeling Act and the Federal Trade Commission Act.

Mr. S. F. House for the Commission.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

The complaint in this proceeding charges the respondents with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder.

An agreement has been entered into between respondents and counsel supporting the complaint which provides, among other things, the following: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive further procedural steps before the Hearing Examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement; and 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.

The Hearing Examiner having considered the agreement and proposed order and being of the opinion that the acceptance of the agreement will be in the public interest, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

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Order

1. Respondent Economy Products Corporation, is a corporation, organized 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 1215 Washington Boulevard, Chicago, Illinois. Respondents Harry Wagner, Vernon M. Wagner and Arnold W. Behrstock are officers of said corporation. They formulate and control the policies, acts and practices of said corporation. Their 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 Economy Products Corporation, a corporation, and its officers, and Harry Wagner, Vernon M. Wagner, and Arnold W. Behrstock, individually and as officers 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 falsely or deceptively identifying them, directly and by implication, as to prices at which they are sold by retailers in their usual and regular course of business;

3. 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 per centum 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 per centum 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.

It is further ordered, That respondents Economy Products Corporation, a corporation, and its officers, and Harry Wagner, Vernon M. Wagner, and Arnold W. Behrstock, individually and as officers 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. Misrepresenting in any way the constituent fiber or material used in their merchandise or the respective percentages thereof;

2. 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 such products are usually and regularly sold at retail;

3. Furnishing means or instrumentalities to others by and through which they may misrepresent the usual and regular retail price of respondents' products;

4. Making false and misleading comparisons of the relative merits of woolen and non-woolen fibers;

5. Abbreviating the generic name of the fibers contained in wool products.

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 4th day of April, 1957, 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.

Decision

IN THE MATTER OF

SAMUEL BARTH DOING BUSINESS AS AMERICAN FURRIERS;
BERNARD AXELROD DOING BUSINESS AS
BERNARD AXELROD & COMPANY ET AL.

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

Docket 6657. Complaint, Oct. 18, 1956—Decision, Apr. 6, 1957

Consent order requiring two associated furriers in Hartford, Conn., and New York City, respectively, to cease violating the Fur Products Labeling Act by preticketing fur products with fictitious prices, deceptively naming the animal producing the fur in certain products, and otherwise failing to conform to labeling requirements; by invoicing products falsely; by advertising which failed to disclose the name of animals producing the fur and misrepresented prices, savings, and values; and by failing to maintain adequate records as a basis for such pricing claims.

A third respondent consented to a similar order dated April 20, 1957, p. 905 herein.

Mr. S. F. House for the Commission.

Mr. Harvey E. Nair, of Hartford, Conn., for Samuel Barth.

Mr. Jules Aronson, of New York City, for Bernard Axelrod.

INITIAL DECISION BY JOSEPH CALLAWAY, HEARING EXAMINER

As to respondents Samuel Barth, an individual doing business as American Furriers; Bernard Axelrod, an individual doing business as Bernard Axelrod & Co.

The Federal Trade Commission issued its complaint against the respondents named in the caption to this proceeding on October 18, 1956, charging them with violation of the Federal Trade Commission Act, the Fur Products Labeling Act and the Rules and Regulations promulgated under the last mentioned Act, as alleged in the complaint. After service of the complaint, respondent Bernard Axelrod, doing business as Bernard Axelrod & Company filed answer thereto on December 17, 1956, and respondent Morris Miller filed answer thereto on November 16, 1956. On January 3, 1957, respondent Samuel Barth doing business as American Furriers and his attorney entered into an agreement with counsel supporting the complaint for a consent order to cease and desist from the practices complained of, which agreement purports to dispose of all the issues in this proceeding as to that respondent. On January 17, 1957, respondent Bernard Axelrod doing business as Bernard Axelrod & Company,