

IN THE MATTER OF
IRIE MANUFACTURING CO., INC., ET AL.

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

Docket 6984. Complaint, Dec. 13, 1957—Decision, Mar. 19, 1958

Consent order requiring importers in New York City to cease violating the Wool Products Labeling Act by labeling as "50% reprocessed wool, 50% cotton and artificial fibers," blankets which contained substantially less wool than so claimed, and by failing in other respects to comply with the requirements of the act.

Charles W. O'Connell, Esq., for the Commission.

Arthur I. Winard, Esq., of New York, N.Y., for respondents.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued December 13, 1957, charges the respondents Irie Manufacturing Co., Inc., U.S. Blanket Corp., corporations, and Nat Nasshorn, David Nasshorn, and Larry Curtis, individually and as officers of said corporations, with violation of the provisions of the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, and of the rules and regulations promulgated under authority of the said Wool Products Labeling Act, in connection with the introduction into commerce, or offering for sale, sale, transportation or distribution of blankets, in commerce, as "commerce" is defined in said acts.

After the issuance of said complaint respondents, on January 27, 1958, entered into an agreement for a consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation of the Federal Trade Commission. 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 respondents admitted all of the jurisdictional allegations of the complaint and agreed that the record herein may be taken as though the Commission had made findings of jurisdictional facts in accordance with such allegations. By said

agreement the parties expressly waived a hearing before the hearing examiner or the Commission, 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 the respondents may otherwise be entitled under the Federal Trade Commission Act or the rules of practice of the Commission.

By said agreement, respondents further agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as though made after a full hearing, presentation of evidence and findings and conclusions thereon, and specifically waived any and all right, power or privilege to challenge or contest the validity of such order.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that the said order may be altered, modified or set aside in the manner provided by statute for other orders of the Commission.

Said agreement recites that respondents Irie Manufacturing Co., Inc. and U.S. Blanket Corp., are corporations existing under and by virtue of the laws of the State of New York. The individual respondents are Nat Nasshorn, president of corporate respondent U.S. Blanket Corp. and secretary-treasurer of corporate respondent Irie Manufacturing Co., Inc.; David Nasshorn, vice president of both corporate respondents; and Larry Curtis, president of corporate respondent Irie Manufacturing Co., Inc., and secretary-treasurer of corporate respondent U.S. Blanket Corp. The office and principal place of business of all respondents is located at No. 30 Bleecker Street, New York, N.Y.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with sections 3.21 and 3.25 of the rules of practice, and in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of all respondents named herein, and that this proceeding is in the interest of the public, wherefore he issues the following order:

Decision

51 F.T.C.

ORDER

It is ordered, That respondents Irie Manufacturing Co., Inc., and U.S. Blanket Corp., corporations, and their officers, and respondents Nat Nasshorn, David Nasshorn and Larry Curtis, individually and as officers of said corporations, and respondents' 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 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 contained 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 nonfibrous 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.

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 19th day of March 1958, become the decision of the Commission; and, accordingly:

1192

Decision

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
BLACK MANUFACTURING CO.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SECS. 2(a) AND 2(d)
OF THE CLAYTON ACT

Docket 6710. Complaint, Jan. 11, 1957—Decision, Mar. 20, 1958

Order requiring a manufacturer with principal place of business in Seattle, Wash.—a substantial factor in the work clothes and sportswear industry in the Pacific Northwest and Alaska—to cease discriminating in price in violation of section 2(d) of the Clayton Act by paying allowances for cooperative advertising to some, but not all, of its customers, which payments, additionally followed no particular pattern but were determined by personal negotiation; and

Dismissing charges of violation of section 2(a) of the Clayton Act for failure to sustain them.

Mr. John J. McNally for the Commission.

Jones & Grey, of Seattle, Wash., by *Mr. Hargrave Garrison*, for respondent.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

This proceeding is before the undersigned hearing examiner for final consideration upon the complaint, answer thereto, testimony and other evidence, proposed findings of fact and conclusions submitted by counsel supporting the complaint, opening brief of respondent, reply to opening brief filed by counsel supporting the complaint, and reply brief of respondent. The hearing examiner has given consideration to the proposed findings of fact and conclusions and briefs in support thereof submitted by all parties, and all findings of fact and conclusions of law proposed by the parties, respectively, not hereinafter specifically found or concluded, are herewith rejected, and the hearing examiner, having considered the record herein and being now duly advised in the premises, makes the following findings of fact and conclusions drawn therefrom and order:

1. This proceeding involves alleged violations of sections 2(a) and 2(d) of the Clayton Act, as amended by the Robinson-Patman Act. Count I of the complaint charges that the respondent has discriminated in price in violation of section 2(a) of the Clayton Act: (1) Through the use of an annual volume user discount program under which the respondent granted a rebate equal to 5 percent of the purchase price to customers whose annual volume of purchases exceeded \$35,000; and (2) The payment of freight charges on shipments to