

Decision

IN THE MATTER OF
WOOL NOVELTY CO., INC., ET AL.

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

Docket 6867. Complaint, Aug. 20, 1957—Decision, June 6, 1958

Consent order requiring three affiliated concerns in New York City and Philadelphia, to cease violating the Wool Products Labeling Act by falsely tagging as "100 percent cashmere" and labeling also with a facsimile of the British flag and the significant English historical name "Drake," sweaters which were knitted in Philadelphia of yarn imported from Japan, and failing in other respects to comply with the labeling requirements of the act; and to cease representing falsely by respondent partnership's use of the trade name "Drake Knitting Mills" and the phrase "manufacturers of sweaters and knitted sportswear" on invoices, that the partnership was the manufacturer of sweaters imported from England by corporate respondent and for which it was merely the selling agent.

Mr. Fletcher G. Cohn and Mr. Arthur B. Edgeworth for the Commission.

Mr. Erwin Feldman, of New York, N.Y., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

The Federal Trade Commission (sometimes also hereinafter referred to as the Commission) issued its complaint herein, charging the above-named respondents with having violated the provisions of both the Federal Trade Commission Act and the Wool Products Labeling Act in certain particulars.

On April 3, 1958, there was submitted to the undersigned hearing examiner of the Commission for his consideration and approval an agreement containing consent order to cease and desist, which had been entered into by and between respondents and the attorney for the Commission, under date of March 31, 1958, subject to the approval of the Bureau of Litigation of the Commission, which had subsequently duly approved the same.

On due consideration of such agreement, the hearing examiner finds that said agreement, both in form and in content, is in accord with section 3.25 of the Commission's rules of practice for adjudicative proceedings, and that by said agreement the parties have specifically agreed to the following matters:

1. Respondent Wool Novelty Co., Inc., is a corporation existing and doing business under and by virtue of the laws of the State of

New York, with its office and principal place of business located at 44 West 18th Street, in the city of New York, State of New York. Individual respondents M. C. Roberts, Bernard L. Roberts, and Stanley Roberts are president, vice president, and secretary-treasurer, respectively, of this corporate respondent.

Respondent Atwood Knitwear, Inc., is a corporation existing and doing business under and by virtue of the laws of the State of Pennsylvania, with its office and principal place of business located at I and Ontario Streets, in the city of Philadelphia, State of Pennsylvania. Individual respondents Bernard L. Roberts, M. C. Roberts, and Stanley Roberts are president, vice president, and secretary-treasurer, respectively, of this corporate respondent.

Respondents M. C. Roberts, Bernard L. Roberts, and Stanley Roberts are also copartners trading and doing business under the name of Drake Knitting Mills, with their office and principal place of business located at 44 West 18th Street, city of New York, State of New York.

2. Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Federal Trade Commission, on August 20, 1957, issued its complaint in this proceeding against respondents, and a true copy was thereafter duly served on respondents.

3. 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.

4. This agreement disposes of all of this proceeding as to all parties.

5. Respondents waive:

(a) Any further procedural steps before the hearing examiner and the Commission;

(b) The making of findings of fact or conclusions of law; and

(c) 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.

6. The record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and this agreement.

7. This agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission.

8. This 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 parties have further specifically agreed that the proposed order to cease and desist included in said agreement may be entered

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in this proceeding by the Commission without further notice to respondents; that when so entered it shall have the same force and effect as if entered after a full hearing; that it 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.

Upon due consideration of the complaint filed herein and the said agreement containing consent order to cease and desist, the latter is hereby approved, accepted and ordered filed, if and when it shall have become a part of the Commission's decision. The hearing examiner finds from the complaint and the said agreement containing consent order to cease and desist that the Commission has jurisdiction of the subject matter of this proceeding and of the persons of each of the respondents herein; that the complaint states a legal cause for complaint under the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 against each of the respondents, both generally and in each of the particulars alleged therein; that this proceeding is in the interest of the public; that the following order as proposed in said agreement is appropriate for the just disposition of all of the issues in this proceeding; and that said order therefore should be, and hereby is, entered as follows:

ORDER

It is ordered, That respondents Wool Novelty Co., Inc., a corporation, and its officers; Atwood Knitwear, Inc., a corporation, and its officers; and M. C. Roberts, Bernard L. Roberts, and Stanley Roberts, individually and as officers of said corporations, and as co-partners, trading and doing business as Drake Knitting Mills, or under any other name, 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 sweaters or other "wool products," as such products are defined in and subject to said Wool Products Labeling Act, do forthwith cease and desist from misbranding such products by:

1. Attaching or using stamps, tags, labels, or other means of identification which represent that such products contain a certain percentage of cashmere which is contrary to fact;
2. Otherwise falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;

3. Falsely or deceptively identifying such products as being manufactured in or imported from Britain or any other foreign country;

4. 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 5 percent 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 5 percent 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.

It is further ordered. That respondents M. C. Roberts, Bernard L. Roberts, and Stanley Roberts, copartners, trading and doing business as Drake Knitting Mills, or under any other name, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale and distribution of sweaters or any other product, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that respondents, or any of them, manufacture any product which is not manufactured in a factory owned and operated or directly and absolutely controlled by them, and from using the word "mills," or any other words or terms of similar import, as part of a corporate or trade name in connection with any product not manufactured by respondents unless the fact that they do not manufacture such product is clearly disclosed.

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 6th day of June 1958, become the decision of the Commission; and, accordingly:

It is ordered. That the above-named respondents 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

ABRAHAM STURISKY ET AL. TRADING AS ALLISON'S
CO. ET AL.

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

Docket 7014. Complaint, Dec. 30, 1957—Decision, June 6, 1958

Consent order requiring distributors in Brooklyn, N.Y., engaged in selling to wholesalers and jobbers assortments of candy and toys of varying value packed in identical small packages so that the ultimate purchaser could not know what he paid for until after a purchase was made and the package broken open, to cease distributing assortments of merchandise designed or intended to be sold to the purchasing public by lottery or chance.

John W. Brookfield, Jr., Esq., for the Commission.

INITIAL DECISION BY JAMES A. PURCELL, HEARING EXAMINER

The complaint in this proceeding, issued December 30, 1957, charges the respondents Abraham Sturisky and Seymour Feldman, individuals and copartners trading as Allison's Co., and Harry V. Schechter, an individual trading as H.V. Schechter Sales Associates, with violation of the Federal Trade Commission Act in connection with the offering for sale, sale and distribution of candy and toy assortments or other merchandise so packed and assembled as to involve the use of a lottery scheme when sold and distributed to the consuming public.

After the issuance of said complaint respondent Harry V. Schechter, on February 12, 1958, and respondents Abraham Sturisky and Seymour Feldman, on February 27, 1958, entered into separate agreements for consent order with counsel in support of the complaint, disposing of all of the issues in this proceeding, which agreements were duly approved by the Director and Assistant Director of the Bureau of Litigation of the Federal Trade Commission. Said agreements are substantially the same in all material respects, having been separately executed for the convenience of the parties respondent for which reason they will be considered as original counterparts for the purposes of this proceeding.

By the terms of said agreements, 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.