

IN THE MATTER OF
CHATHAM MANUFACTURING COMPANY

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

Docket 7057. Complaint, Feb. 7, 1958—Decision, Sept. 23, 1958

Consent order requiring a manufacturer in Elkin, N.C., to cease misrepresenting the fiber content of blankets by such practices as including with mixed fiber blankets, mailing inserts bearing the word "Nylon" in conspicuous headlines; by failing to disclose the rayon content in blankets simulating silk or wool, and the acetate in bindings manufactured to simulate silk; and to cease describing its blanket bindings in advertising as "Guaranteed" without disclosing the nature and extent of said guarantee.

Mr. Harry E. Middleton, Jr., for the Commission.

Mr. J. Milton Cooper, of Washington, D. C., and Womble, Carlyle, Sandridge & Rice, by Mr. C. W. Womble, of Winston-Salem, N.C., for respondent.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint alleges that in its manufacture of blankets containing various fibers, including nylon, rayon, and cotton, with bindings composed of acetate, respondent has violated the Federal Trade Commission Act by failing clearly to disclose such fiber content, so that the purchasing public is led to believe, contrary to fact, that the blankets contain silk or wool, or that said products contain larger proportions of such fibers than is actually the fact.

After the issuance of the complaint, respondent, its counsel, and counsel supporting the complaint entered into an agreement containing consent order to cease and desist, which was approved by the director and an assistant director of the Commission's Bureau of Litigation, and thereafter transmitted to the hearing examiner for consideration.

The agreement identifies respondent, Chatham Manufacturing Company as a corporation existing and doing business under and by virtue of the laws of the State of North Carolina, with its office and principal place of business located at Elkin, N. C.

The agreement provides, among other things, that respondent admits all the jurisdictional facts alleged in the complaint, and agrees that the record may be taken as if findings of

jurisdictional facts had been duly made in accordance with such allegations; that 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; that the agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission; that the complaint may be used in construing the terms of the order agreed upon, which may be altered, modified or set aside in the manner provided for other orders; that the agreement is for settlement purposes only and does not constitute an admission by respondent that it has violated the law as alleged in the complaint; and that the order set forth in the agreement and hereinafter included in this decision shall have the same force and effect as if entered after a full hearing.

Respondent waives 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 it may have to challenge or contest the validity of the order to cease and desist entered in accordance with the agreement.

The order agreed upon fully disposes of all the issues raised in the complaint, and adequately prohibits the acts and practices charged therein as being in violation of the Federal Trade Commission Act. Accordingly, the hearing examiner finds this proceeding to be in the public interest, and accepts the agreement containing consent order to cease and desist as part of the record upon which this decision is based. Therefore,

It is ordered, That respondent, Chatham Manufacturing Company, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale or selling of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the term "nylon" or any other work indicative of nylon to designate or describe any product which is not composed entirely of nylon; provided, however, that in the case of a product composed in part of nylon and in part of other fibers or materials, such words may be used as descriptive of the nylon content if there are used in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, words truthfully describing such other constituent fibers or materials;

2. Stating that a blanket binding or any other product is

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guaranteed unless the nature and extent of the guarantee and the manner in which the guarantor will perform thereunder, are clearly and conspicuously disclosed, unless the guarantee is without limitation or qualification;

3. Advertising, offering for sale or selling products composed in whole or in part of acetate or rayon without clearly disclosing such acetate and rayon content, by accurately designating and naming each constituent fiber in the order of predominance by weight, with or without accompanying statement of the fraction or percentage by weight of the entire mixture which each represents;

4. Putting into operation any plan whereby retailers or others may misrepresent the fiber content of merchandise, including bindings, trimmings and decorations.

DECISION OF THE COMMISSION AND ORDER TO FILE
REPORT OF COMPLIANCE

Pursuant to Section 3.21 on the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 23d day of September 1958, become the decision of the Commission; and, accordingly:

It is ordered, That respondent Chatham Manufacturing Company, a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Complaint

IN THE MATTER OF
TRIFARI, KRUSSMAN & FISHEL, INC., ET AL.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION ACT AND SEC. 2(d) OF THE CLAYTON ACT*Docket 7119. Complaint, Apr. 10, 1958—Decision, Sept. 23, 1958*

Consent order requiring a manufacturer of costume jewelry products in Providence, R.I., to cease making payments as compensation for such services as newspaper advertising furnished in connection with the resale of its products, to the corporate operator of a chain of five retail jewelry stores in and around Philadelphia and one in Norfolk, and which purchased also for four other retail stores, without making proportional payments to its competitors; and requiring said corporate buyer to cease inducing or receiving such compensation from its supplier for advertising or other services.

COMPLAINT

The Federal Trade Commission, having reason to believe that Trifari, Krussman & Fischel, Inc., a corporation, has violated and is now violating the provisions of subsection (d) of Section 2 of the Clayton Act (U.S.C. Title 15, Sec. 13), as amended by the Robinson-Patman Act, and the Commission having further reason to believe that Associated Barr Stores, Inc., a corporation, and Myer B. Barr, as an individual, and as president of Associated Barr Stores, Inc., have violated, and are now violating the provisions of Section 5 of the Federal Trade Commission Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges with respect thereto as follows:

Count I.

PARAGRAPH 1. Respondent Trifari, Krussman & Fischel, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York with its principal office located at 16 East 40th Street, New York, N.Y.

PAR. 2. Respondent Trifari, Krussman & Fischel, Inc., is engaged in the business of manufacturing, distributing, and selling costume jewelry products. Said respondent sells the costume jewelry products, which it manufactures at its factory located in Providence, Rhode Island, to a large number of purchasers located throughout the various states of the United States and other places under the jurisdiction of the United States for use, consumption,