

Decision

IN THE MATTER OF

PREMIER KNITTING CO., INC., ET AL.

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

Docket 7366. Complaint, Jan. 22, 1959—Decision, July 4, 1959

Consent order requiring a Philadelphia garment finisher and dyer to cease advertising falsely that orlon products treated with "UT-Formula"—including those it sold—would not pill or fuzz up in balls.

The matter is still pending as to the distributor respondent.

Mr. Garland S. Ferguson for the Commission.

Rothstein & Korzenik, by *Mr. Harold Korzenik*, of New York, N.Y., for Universal Dye Works, Inc. and Joseph Schmitz, Jr.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents with the use of false, misleading and deceptive statements and representations that orlon sweaters finished with the "UT-Formula" will not pill, which statements and representations constitute unfair and deceptive acts and practices and unfair methods of competition in commerce, in violation of the Federal Trade Commission Act.

After the issuance of the complaint, respondents Universal Dye Works, Incorporated, a corporation, and Joseph Schmitz, Jr., erroneously named in the complaint as Joseph B. Schmitz, individually and as an officer of said corporation, their 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 states that Respondent Universal Dye Works, Incorporated, 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 Wissinoming and Friendship Streets, Philadelphia, Pennsylvania; that respondent Joseph Schmitz, Jr. is an officer of said corporation and formulates, directs and controls the acts and practices thereof, his address being the same as that of said corporate respondent. Parties signatory to the agreement recommend that, for reasons set forth in the affidavit attached to and made a part of said agreement, the complaint herein be dismissed insofar as it relates to respondents Fred C. Oshell,

Catherine Conver, and Lily M. Schmitz, individually and as officers of respondent Universal Dye Works, Incorporated. The agreement states that respondents not named therein will be dealt with by further proceedings.

Respondents signing the agreement 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.

The agreement provides, among other things, 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 respondents signatory thereto that they have 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.

Respondents signing the agreement waive 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 they 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, as to the respondents signing said agreement. 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 respondents Universal Dye Works, Incorporated, a corporation, and its officers and Joseph Schmitz, Jr., individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of their UT-Formula, or any other preparation possessing substantially the same properties, in commerce, as "commerce" is defined in the Federal Trade Commission Act, or in connection with Orlon sweaters or other Orlon products which have

been finished by their UT-Formula, or by any other preparation or formula possessing substantially the same properties, which products are offered for sale, sold and distributed in said commerce, do forthwith cease and desist from:

1. Representing, directly or by implication, that Orlon sweaters or other Orlon products treated with their UT-Formula will not pill;

2. Furnishing means and instrumentalities, or putting into operation any plan, which may induce others to represent that Orlon products treated with UT-Formula, will not pill.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to Fred C. Oshell, Catherine C. Conver, and Lily M. Schmitz, individually and as officers of said corporation.

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 July, 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Universal Dye Works, Incorporated, a corporation, and Joseph Schmitz, Jr., erroneously named in the complaint as Joseph B. Schmitz, individually and as an officer of said corporation, 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

MAIN LINE LUMBER AND MILLWORK COMPANY, ET AL.