

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 29th day of August, 1959, become the decision of the Commission; and, accordingly:

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

IN THE MATTER OF

JOY HAT NOVELTY CORPORATION ET AL.

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

Docket 7460. Complaint, Apr. 1, 1959—Decision, Aug. 29, 1959

Consent order requiring manufacturers in New York City to cease selling hats to wholesalers, jobbers, and retailers for resale without disclosing in any manner that such products were discarded, secondhand, and previously used felt hat bodies which they had cleaned, shaped, and fitted with new trimmings; and to cease violating the Wool Products Labeling Act by labeling as "100% New Felt," hats which contained a substantial quantity of reclaimed woolen fibers, and by failing in other respects to comply with the labeling requirements of the Act.

Mr. S. F. House for the Commission.
Respondents, for themselves.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on April 1, 1959, charging Respondents with failing to mark or label their reconditioned, previously-used felt hats in such a manner as will disclose the fact that said products are made from used materials, and with misbranding such hats as "100% New Felt," thereby placing in the hands of distributors and retailers means and instrumentalities by which the public may be misled into the erroneous and mistaken belief that such hats are manufactured entirely from new and unused materials, in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and of the Federal Trade Commission Act.

Thereafter, on June 10, 1959, Respondents and counsel supporting the complaint herein 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 submitted to the Hearing Examiner for consideration.

The agreement identifies Respondent Joy Hat Novelty Corporation as a New York corporation, with its office and principal place of business located at 9302 Ditmas Avenue, Brooklyn, New York, New York, and individual Respondent Stanley Fessel as an officer of said corporation, who formulates, directs and controls the policies, acts and practices thereof, and has the same address as the corporate Respondent. All parties agree that the complaint should be dismissed as to respondent Daniel Silverman, deceased.

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.

Respondents waive any further procedure before the hearing examiner and the Commission; the making of findings of fact and 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 into in accordance with the agreement. All parties agree that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and the agreement; that the order to cease and desist, as contained in the agreement, when it shall have become a part of the decision of the Commission, shall have the same force and effect as if entered after a full hearing, and may be altered, modified or set aside in the manner provided for other orders; that the complaint herein may be used in construing the terms of said order; and that the agreement is for settlement purposes only and does not constitute an admission by the Respondents that they have violated the law as alleged in the complaint.

After consideration of the allegations of the complaint and the provisions of the agreement and the proposed order, the hearing examiner is of the opinion that such order constitutes a satisfactory disposition of this proceeding. Accordingly, in consonance with the terms of the aforesaid agreement, the hearing examiner accepts the Agreement Containing Consent Order To Cease And Desist; finds that the Commission has jurisdiction over the respondents and over their acts and practices as alleged in the complaint; and finds that this proceeding is in the public interest. Therefore,

It is ordered, That respondents Joy Hat Novelty Corporation, a corporation, and its officers, and Stanley Fessel, individually and as an officer 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 in commerce, as "commerce" is defined in the Federal Trade Commission Act, of hats, do forthwith cease and desist from:

A. Offering for sale, selling or distributing discarded, secondhand or previously used hats that have been reconditioned, or hats that are composed in whole or in part of materials which are used, unless a statement that said hats are composed of secondhand or used materials is stamped in some conspicuous place on the exposed surface of the inside of the hat in conspicuous and legible terms which cannot be obliterated without mutilating the hat itself, provided that if sweat bands or bands similar thereto are attached to said hats, then such statement may be stamped upon the exposed surface of such bands, providing that said stampings be of such a nature that they cannot be removed or obliterated without mutilating the band and the band itself cannot be removed without rendering the hat unserviceable;

B. Representing in any manner that hats made in whole or in part from old, used, or secondhand materials are new or are composed of new materials.

It is further ordered, That respondents Joy Hat Novelty Corporation, a corporation, and its officers, and Stanley Fessel, individually and as an officer 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 woolen hats or other wool products, as "wool products" are defined in the Wool Products Labeling Act, do forthwith cease and desist from:

C. 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 fix securely 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 the total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool,

(4) each fiber other than wool where the 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 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 of such wool product in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

It is further ordered, That the complaint be, and the same hereby is, dismissed as to Daniel Silverman.

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 29th day of August, 1959, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Joy Hat Novelty Corporation, a corporation, and Stanley Fessel, 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
SALM'S, INC., ET AL.