

day of May, 1960, 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
ALVIN M. HAYIM ET AL. DOING BUSINESS AS
HAYIM & COMPANY

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

Docket 7749. Complaint, Jan. 18, 1960—Decision, May 12, 1960

Consent order requiring New York City distributors of rugs and floor coverings, many of them of foreign origin, to cease representing falsely on attached labels, invoices, price lists, etc., that they manufactured their products; that certain mixed fiber rugs were composed entirely of wool and that others were predominantly of wool; and that some, branded with American place names, were made in the United States.

Mr. Terral A. Jordan for the Commission.
Respondents, for themselves.

INITIAL DECISION BY J. EARL COX, HEARING EXAMINER

The complaint charges respondents, who are engaged in the advertising, offering for sale, sale and distribution in commerce of rugs and floor coverings, a substantial portion of which are imported from foreign countries, with the use of false, misleading and deceptive statements as to the fiber content and origin of said products, in violation of the Federal Trade Commission Act.

After the issuance of the complaint, respondents 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 respondents Alvin M. Hayim and Ella M. Hayim are individuals trading and doing business as a co-partnership under the name of Hayim & Company, with their office and principal place of business located at 295 Fifth Avenue, New York, New York.

The agreement provides, among other things, that 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; 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 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 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. 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 Alvin M. Hayim and Ella M. Hayim, as individuals or as copartners trading and doing business as Hayim & Company, or under any other trade name, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of rugs or floor coverings or any other textile product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or indirectly, through the use of the word "manufacturer" or by any other means that respondents own, operate or control the manufacturing plant or facilities in which the aforesaid products are made in whole or in part, unless such shall be the fact;

2. Using the terms "wool" or "all wool" or any other word or term indicative of wool, to designate or describe any product or portion thereof which is not composed wholly of wool, the fiber from the fleece of the sheep or lamb, or hair of the Angora or Cashmere Goat, or hair of the camel, alpaca, llama or vicuna, which has never been reclaimed from any woven or felted product; provided, that in the case of products or portions thereof which are composed in substantial part of wool and in part of other fibers or materials, the term "wool" may be used as descriptive of the wool content of the product or portion thereof if there are used in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, words truthfully designating each constituent fiber or material thereof in the order of its predominance by weight; provided further, that if any fiber or material so designated is not present in a substantial quantity, the percentage thereof shall be stated. Nothing herein shall prohibit the use of the terms "reprocessed wool" or "reused wool" when the products or those portions thereof referred to are composed of such fibers;

3. Using the words "Southampton," "Bar Harbor," "Northampton," "Miami Shores," "Palm Beach," or "Pinehurst," or any other distinctively American name in advertising or in labeling to designate or describe the aforesaid products which are not in fact made in the United States, or using any other word or term in advertising or in labeling as descriptive of the aforesaid products which represents, directly or indirectly, that said products are made in a country other than the one in which they are in fact made, without clearly and conspicuously revealing in immediate connection with each of the aforesaid names, words or terms, the actual country of origin of such products;

Provided, however, that nothing herein shall relieve the respondents from their obligation to comply with the requirements of the Textile Fiber Products Identification Act after the effective date thereof or forbid the respondents thereafter from labeling and otherwise offering products subject to that Act in the manner prescribed thereby and rules and regulations promulgated thereunder by the Commission.

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Decision

The terms "reprocessed wool" and "reused wool," as herein used, are to be defined in §2(c) and §2(d) of the Wool Products Labeling Act.

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 12th day of May, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Alvin M. Hayim and Ella M. Hayim, individually and as copartners doing business as Hayim & Company, 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.