

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 3d day of September 1960, become the decision of the Commission; and, accordingly:

*It is ordered*, That respondent Midwest Biscuit 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.

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IN THE MATTER OF

GEO. E. MALLINSON IMPORTING CO., INC., ET AL.; AND  
COLONIAL RUG COMPANY, INC., ET AL.

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

*Docket 7684. Complaint, Dec. 8, 1959—Decisions, Sept. 7, 1960, and  
Sept. 22, 1960*

Consent orders issued under different dates requiring two distributors of rugs in New York City and Taunton, Mass., respectively, to cease violating the Federal Trade Commission Act by labeling as "MAYFLOWER WOOL BLEND BRAIDED RUG", rugs which contained a substantial quantity of fibers other than wool; by describing as "wool blend", rugs composed largely of "reused" wool; and by failing to disclose that certain rugs which had the appearance and feel of wool were composed in part of rayon.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Geo. E. Mallinson Importing Co., Inc., a corporation, and William Brown, W. T. Orr and Marion H. Singer, individually and as officers of said corporation; and Colonial Rug Company, Inc., a corporation, and Walter A. Srocinski and Harry L. MacCready, Jr., individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said 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 in that respect as follows:

PARAGRAPH 1. Geo. E. Mallinson Importing Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and place of business located at 295 Fifth Avenue, New York, N.Y.

Respondents William Brown, W. T. Orr and Marion H. Singer are officers of the corporate respondent Geo. E. Mallinson Importing Co., Inc., and formulate, direct and control the acts and practices of the above corporate respondent, including the acts and practices hereinafter set forth. The address of the individual respondents above is the same as that of the above corporate respondent.

Colonial Rug Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts, with its office and place of business at Taunton, Mass.

Respondents Walter A. Srocinski and Harry L. MacCready, Jr., are officers of the corporate respondent Colonial Rug Company, Inc., and formulate, direct and control the acts and practices of corporate respondent, including the acts and practices hereinafter set forth. The address of the individual respondents is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the offering for sale, sale and distribution of rugs and floor coverings.

PAR. 3. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products, when sold, to be shipped from their place of manufacture in the Commonwealth of Massachusetts to purchasers thereof located in various other States of the United States and the District of Columbia, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, and for the purpose of inducing the sale of their rugs, respondents have made certain statements with respect to the fiber content of said rugs by means of labels attached thereto. Typical and among such statements, but not limited thereto, was the following:

**MAYFLOWER WOOL BLEND BRAIDED RUG**

Through the use of said statement, respondents represented that rugs so labeled were composed entirely of wool.

PAR. 5. The aforesaid statement and representation was false, misleading and deceptive. In truth and in fact, said rugs were not composed entirely of wool but contained a substantial quantity of fibers other than wool.

PAR. 6. The respondents further falsely represented the content of their rugs by reason of the fact that the term "wool blend" was used to describe their rugs, the wool content of which was composed largely of "reused" wool, that is, wool or reprocessed wool which has been spun, woven, knitted or felted into a wool product which, after having been used in any way by the ultimate consumer, subsequently has been made into a fibrous state.

The word "wool" is understood by the trade and among the purchasing public to mean the fiber from the fleece of the sheep or lamb, or hair of the Angora or Cashmere goat, including the so-called specialty fibers from the hair of camel, alpaca, llama and vicuna, as distinguished from "reused wool" which has been reclaimed from a spun, woven, knitted or felted product. Thus, the use of fiber content description as set out above by respondents caused purchasers and prospective purchasers to have the mistaken and erroneous belief that the said products so labeled are composed wholly of fibers falling within the classification "wool" as hereinbefore set out, rather than "reused wool".

PAR. 7. Respondents have for several years last past distributed and sold in commerce rugs which were composed in part of rayon.

Rayon is a chemically manufactured fiber which may be so manufactured as to simulate wool, and it has the appearance and feel of wool. By reason of these qualities, rayon, when manufactured to simulate wool and not clearly designated as rayon, is practically indistinguishable from wool. Respondents' said rugs are composed in part of rayon which simulates both the appearance and feel of wool. Respondents sell and distribute said rugs without disclosing in any manner the rayon content of these rugs, thus making it virtually impossible for the purchasers and ultimate users of said rugs to determine that the rugs contain rayon fibers as opposed to wool fibers.

PAR. 8. In the conduct of their business at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by respondents.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief. As a consequence thereof,

substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public and of respondents' competitors, and constituted, and now constitute, unfair and deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Before *Mr. William L. Pack*, hearing examiner.

*Mr. Charles S. Cox* for the Commission.

*Lewis & Lewis*, of Taunton, Mass., by *Mr. Benjamin D. Lewis*, for Colonial Rug Company, Inc., *Walter A. Srocinski* and *Harry L. MacCready, Jr.*

#### INITIAL DECISION AS TO CERTAIN RESPONDENTS

The complaint in this matter charges the respondents with violating the provisions of the Federal Trade Commission Act, in connection with the sale and distribution of rugs and floor coverings. An agreement for disposition of the proceeding as to respondents Colonial Rug Company, Inc., *Walter A. Srocinski* and *Harry L. MacCready, Jr.*, has now been entered into by said respondents and counsel supporting the complaint which provides, among other things, that said respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, said respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the agreement is for settlement purposes only and does not constitute an admission by said respondents that they have violated the law as alleged in the complaint.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for appropriate disposition of the proceedings as to said re-

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spondents, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Colonial Rug Company, Inc., is a Massachusetts corporation, with its office and place of business located at Taunton, Mass. The individual respondents Walter A. Sroczinski and Harry L. MacCready, Jr., are officers of said corporate respondent and formulate, direct and control the acts and practices of said Colonial Rug Company, Inc. The address of the individual respondents is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the said respondents, and the proceeding is in the public interest.

## ORDER

*It is ordered*, That Colonial Rug Company, Inc., a corporation, and its officers, and Walter A. Sroczinski and Harry L. MacCready, Jr., individually and as officers 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 of rugs or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Failing to clearly set forth the rayon content of products composed in whole or in part of rayon, in a clear and conspicuous manner, on invoices, labels and in the advertising of such products;

2. Using the term "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 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 quantity of five percentum or more of the total fiber weight of the product, 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. Misrepresenting, in any manner, the fiber content of any product.

*Provided, however,* That nothing herein shall relieve the respondents from their obligation to comply with the requirements of the Textile Fiber Products Identification Act which became effective March 3, 1960, 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.

The terms "reprocessed wool" and "reused wool", as herein used, are to be defined as in Sections 2(c) and (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 as to certain respondents of the hearing examiner shall, on the 7th day of September 1960, become the decision of the Commission; and, accordingly:

*It is ordered,* That respondents Colonial Rug Company, Inc., a corporation, and Walter A. Sroczinski and Harry L. MacCready, Jr., individually and as officers 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.

Before *Mr. William L. Pack*, hearing examiner.

*Mr. Charles S. Cox* for the Commission.

No appearance for respondents.

#### INITIAL DECISION AS TO RESPONDENTS GEO. E. MALLINSON IMPORTING CO., INC., WILLIAM BROWN, W. T. ORR AND MARION H. SINGER

The complaint in this matter charges the respondents with violating the provisions of the Federal Trade Commission Act, in connection with the sale and distribution of rugs and floor coverings. An agreement for disposition of the proceeding as to respondents Geo. E. Mallinson Importing Co., Inc., William Brown, W. T. Orr and Marion H. Singer has now been entered into by said respondents and counsel supporting the complaint which provides, among other things, that said respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall

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consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, said respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the agreement is for settlement purposes only and does not constitute an admission by said respondents that they have violated the law as alleged in the complaint.

The hearing examiner having considered the agreement and proposed order and being of the opinion that they provide an adequate basis for appropriate disposition of the proceeding as to said respondents, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued:

1. Respondent Geo. E. Mallinson Importing Co., Inc., is a New York corporation, with its office and place of business located at 295 Fifth Avenue, New York, N.Y. The individual respondents William Brown, W. T. Orr and Marion H. Singer are officers of said corporate respondent and formulate, direct and control the acts and practices of said Geo. E. Mallinson Importing Co., Inc. The address of the individual respondents is the same as that of the corporate respondent.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the said respondents, and the proceeding is in the public interest.

## ORDER

*It is ordered,* That Geo. E. Mallinson Importing Co., Inc., a corporation, and its officers, and William Brown, W. T. Orr and Marion H. Singer, individually and as officers 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 of rugs or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Failing to clearly set forth the rayon content of products composed in whole or in part of rayon, in a clear and conspicuous manner, on invoices, labels and in the advertising of such products;

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 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 quantity of five percentum or more of the total fiber weight of the product, 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. Misrepresenting, in any manner, the fiber content of any 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, which became effective March 3, 1960, 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.

The terms "reprocessed wool" and "reused wool", as herein used, are to be defined as in Section 2(c) and (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 as to certain respondents of the hearing examiner shall, on the 22d day of September 1960, become the decision of the Commission; and, accordingly:

*It is ordered,* That respondents Geo. E. Mallinson Importing Co., Inc., a corporation, and William Brown, W. T. Orr and Marion H. Singer, individually and as officers 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.

Complaint

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IN THE MATTER OF  
PIONEERS, INC., ET AL.

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

*Docket 7844. Complaint, Mar. 25, 1960—Decision, Sept. 7, 1960*

Consent order requiring Oakland, Calif., manufacturers of a preparation for the treatment of storage batteries designated "BATTERY AD-X2," to cease representing falsely in newspaper and magazine advertising that their said battery additive had been "PROVED Before the FEDERAL TRADE COMMISSION" and was "GOVERNMENT TESTED and PROVED".

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that Pioneers, Inc., a corporation, and Jess M. Ritchie, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said 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 in that respect as follows:

PARAGRAPH 1. Respondent Pioneers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 2812 Havenscourt Boulevard, Oakland 5, Calif.

Respondent Jess M. Ritchie is an individual and president of the corporate respondent Pioneers, Inc. This individual formulates, directs and controls the acts and practices of said corporate respondent. Said individual respondent has his office and principal place of business at the same place as that of the corporate respondent.

PAR. 2. Respondents are now, and have been for several years last past, engaged in the manufacture, sale and distribution of a product designated Battery AD-X2, a preparation for the treatment of storage batteries.

In the regular and usual course and conduct of their business, respondents now cause, and for several years last past have caused, said product, when sold, to be transported from their place of business in the State of California to the purchasers thereof located in various other States of the United States and in the District of Columbia.

Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said product, in com-