
IN THE MATTER OF
BAXTER WOOLEN COMPANY, INC., ET AL.

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

Docket 7375. Complaint, Jan. 23, 1959—Decision, Sept. 29, 1960

Consent order requiring a manufacturer in East Rochester, N.H., to cease violating the Wool Products Labeling Act by labeling as "85% wool—15%

Complaint

57 F.T.C.

nylon", "70% wool—20% nylon—10% rayon decoration", etc., woolen fabrics which contained substantially less woolen fibers than thus set forth, and by failing to label other wool products as required.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Baxter Woolen Company, Inc., a corporation, and Charles B. Baxter, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling 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 Baxter Woolen Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Massachusetts. Individual respondent Charles B. Baxter is president-treasurer of the corporate respondent. He formulates, directs and controls the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter referred to. All respondents have their office and principal place of business located at East Rochester, N.H.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since 1956, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded by the respondents within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively labeled or tagged with respect to the character and amount of the constituent fibers contained therein. Among such misbranded wool products were fabrics labeled or tagged by respondents as "85% wool—15% nylon", "70% wool—20% nylon—10% rayon decoration," and "80% wool—20% nylon, exclusive of decoration" whereas, in truth and in fact, said products contained substantially less woolen fibers than set forth on the labels or tags.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged or labeled

as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act and in the manner and form as prescribed by the Rules and Regulations promulgated thereunder.

PAR. 5. In the course and conduct of their business respondents were, and are, in substantial competition, in commerce, with corporations, firms and individuals likewise engaged in the sale of woolen fabrics.

PAR. 6. The acts and practices of the respondents as above set forth were, and are, in violation of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder, 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.

PAR. 7. In the course and conduct of their business respondents have made certain statements with respect to the fibers of which their wool products were composed on invoices covering the shipment of said fabrics of which the following are typical: "85% wool—15% nylon", "70% wool—20% nylon—10% rayon decoration", and "80% wool—20% nylon, exclusively of decoration" whereas, in truth and in fact, said fabrics contained substantially less woolen fibers than set forth on said invoices.

PAR. 8. The acts and practices of the respondents set forth in paragraph 7 hereof have had, and now have, the tendency and capacity to mislead and deceive the purchasers of their said products as to the true fiber content thereof and to misbrand products manufactured by them in which respondents' fabrics are used.

PAR. 9. The acts and practices of the respondents as set forth above in paragraph 7 were 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 within the intent and meaning of the Federal Trade Commission Act.

Mr. DeWitt T. Puckett for the Commission.

Mr. Richard F. Cooper, of Rochester, N.H., for respondents.

INITIAL DECISION BY ABNER E. LIPSCOMB, HEARING EXAMINER

The complaint herein was issued on January 23, 1959, charging respondents with misbranding certain of their wool products, and with misstating the percentage of woolen fibers contained in certain of their woolen fabrics, 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 27, 1960, respondents, their counsel, and counsel supporting the complaint herein entered into an Agreement Containing Consent Order To Cease And Desist, which was approved by the Director, the Acting Associate Director, and the Acting Assistant Director of the Commission's Bureau of Litigation, and thereafter, on August 16, 1960, submitted to the hearing examiner for consideration.

The agreement identifies Respondent Baxter Woolen Company, Inc., as a Massachusetts corporation, with its office and principal place of business located in East Rochester, N.H., and individual Respondent Charles E. Baxter (erroneously named in the complaint as Charles B. Baxter) as president and treasurer of the corporate respondent, his address being the same as that of the corporate respondent.

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.

The agreement contains a statement that the violations of law charged in the complaint were confined to the years 1956 and 1957.

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 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; 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.

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, Baxter Woolen Company, Inc., a corporation, and its officers, and Charles E. Baxter, 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 1939, of fabrics or other "wool products" as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from 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 included therein;

2. Failing to affix labels to such products showing each element of information required to be disclosed by § 4(a) (2) of the Wool Products Labeling Act of 1939.

It is further ordered, That respondents, Baxter Woolen Company, Inc., a corporation, and its officers, and Charles E. Baxter, 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 of fabrics or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the constituent fibers of which their products are composed, or the percentages or amounts thereof, on invoices, shipping memoranda or in any other manner.

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 September 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondents Baxter Woolen Company, Inc., a corporation, and Charles E. Baxter, 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.

Complaint

57 F.T.C.

IN THE MATTER OF
COURISTAN, INCORPORATED, ET AL.

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

Docket 7853. Complaint, Mar. 30, 1960—Decision, Sept. 29, 1960

Consent order requiring New York City distributors to cease representing falsely in advertising and on labels that certain of their rugs were composed entirely of wool and compared to domestic all-wool rugs retailing for twice the price and more; representing the size of rugs falsely in advertising as "9 x 12", and misleadingly in invoices as "9 x 12 (103 x 139)"; selling rugs under distinctively American names without revealing their Japanese origin; and advertising tubular rugs falsely as the more desirable "braided" type.

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 Couristan, Incorporated, a corporation, and Basil J. Couri, George J. Couri and David E. Murad, individually and as officers of said corporation, and as copartners trading as Couri, Murad & Co., 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 Couristan, Incorporated, 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 300 Fifth Avenue, New York, N.Y. Individual respondents Basil J. Couri, George J. Couri and David E. Murad are officers of said corporation. They formulate, direct and control the policies of the corporate respondent. The address of the individual respondents is the same as that of the corporate respondent.

The individual respondents also trade and do business as Couri, Murad & Co., with their office and place of business located at the same address as that of the corporate respondent.

PAR. 2. The corporate and individual respondents are now, and for some time last past have been, engaged in the sale and distribution of rugs and floor coverings, some of which are imported by Couri, Murad & Co. from foreign countries. In regard to said imported rugs and floor coverings Couri, Murad & Co. is the importer and the corporate respondent is the sales and distributing agent. Such imported rugs are labeled and advertised under such names as