

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

It is ordered. That the above-named respondents 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

SAXONY WOOL CORPORATION OF NEW YORK ET AL.

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

Docket 8076. Complaint, Aug. 11, 1960—Decision, Dec. 1, 1960

Consent order requiring New York City manufacturers to cease violating the Wool Products Labeling Act by labeling as "95% wool, 5% other fibers", woolen stocks which contained substantial quantities of reprocessed or reused wool; 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 Saxony Wool Corporation of New York, a corporation, and Anne Rivlin and Gerald B. Rivlin, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts 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 Saxony Wool Corporation of New York, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Anne Rivlin and Gerald B. Rivlin are officers of the corporate respondent. Said individual respondents cooperate in formulating, directing and controlling 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 at 7 Vestry Street in New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1958 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 products" are 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 wool products were woolen stocks labeled or tagged by respondents as "95% wool, 5% other fibers" whereas, in truth and in fact said wool products contained substantial quantities of reprocessed or reused wool.

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 of 1939.

PAR. 5. Respondents, in the course and conduct of their business, as aforesaid, were and are in substantial competition in commerce with corporations, firms and individuals likewise engaged in the manufacture and sale of woolen stocks.

PAR. 6. The aforesaid acts and practices of the respondents were in violation of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices in commerce within the intent and meaning of the said Act.

PAR. 7. In the course and conduct of their business respondents have described on invoices certain of their woolen stock as "Colored Wool Seamers" and have represented the fiber contents of the stock as "95% wool 5% O.F. (other fibers)". In truth and in fact the said stock was not composed entirely of Colored Wool Seamers and was not 95% Wool within the meaning of the words "Seamers" and "wool" as herein below set out in Paragraph 8, but was composed in whole or in part of woven fabric and fibers reclaimed from such material, thereby containing a substantial quantity of "reprocessed wool" and/or "reused wool".

PAR. 8. The word "Seamers" is a term used in the fiber waste business to describe knitted waste, a by-product from the manufacturing of sweaters and other knitted garments, or the fibers reclaimed from such waste material. 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 the hair of the Angora

or Cashmere goat, including the so-called speciality fibers from the hair of the camel, alpaca, llama and vicuna, which has never been reclaimed from any woven or felted product, as distinguished from "reprocessed wool" and/or "reused wool".

PAR. 9. The use by respondents of false, deceptive and misleading statements and representations on invoices and shipping memoranda with respect to said wool products has had and now has the tendency and capacity to cause manufacturers purchasing same and relying on respondents' false statements and representations to misbrand products made from said wool products.

PAR. 10. The acts and practices of the respondents, as set out in Paragraph Seven, Eight and Nine 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.

Mr. DeWitt T. Puckett for the Commission.

Mr. Nathan F. Grossman, of Brooklyn, N.Y., for respondents.

INITIAL DECISION BY HARRY R. HINKES, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, the Federal Trade Commission issued its complaint in this proceeding against the above-named respondents, charging them with violation of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, and the Rules and Regulations promulgated thereunder, in connection with the sale and delivery of certain wool products.

On October 13, 1960, there was submitted to the undersigned hearing examiner an agreement between the respondents, their counsel, and counsel supporting the complaint, providing for the entry of a consent order.

Under the foregoing agreement the respondents admit all the jurisdictional allegations in the complaint. The agreement also provides 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 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, the respondents specifically waiving any and all rights to challenge the validity of such order; that the order may be altered or set

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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 and does not constitute an admission by 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 an appropriate disposition of the proceeding as to all of the parties, the agreement is hereby accepted, the following jurisdictional findings made and the following order issued:

1. Respondent Saxony Wool Corporation of New York is a corporation existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 7 Vestry Street, in the City of New York, State of New York.

Respondents Anne Rivlin and Gerald B. Rivlin are officers of the corporate respondent and as such formulate, control and direct the policies, acts and practices of the corporate respondent, including the acts and practices involved in this proceeding. Their address 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 respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents Saxony Wool Corporation of New York, a corporation, and its officers, and Anne Rivlin and Gerald B. Rivlin, 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 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 woolen stocks 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:

A. Misbranding of 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 Section 4(a)(2) of the Wool Products Labeling Act of 1939.

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Complaint

It is further ordered, That respondents Saxony Wool Corporation of New York, a corporation, and its officers, and Anne Rivlin and Gerald B. Rivlin, 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 woolen stocks or any other materials in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Misrepresenting the constituent fibers of which their products are composed or the percentages or amounts thereof in sales invoices or in any other manner;

2. Using the word "Seamers" or any other word or term of similar import in connection with woolen stocks which contain woven or felted woolen material or woolen material which has been used by the ultimate consumer, or the fibers reclaimed therefrom.

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 1st day of December, 1960, become the decision of the Commission; and, accordingly:

It is ordered, That respondents herein 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

THE COLONIAL ACADEMY, INC., ET AL.