

IN THE MATTER OF

RICHARD F. JORN ET AL. TRADING AS TESSITALIA

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

Docket 7996. Complaint, June 24, 1960—Decision, Apr. 4, 1961

Order requiring New York City importers of fabrics from Italy to cease violating the Wool Products Labeling Act by labeling as "95% Rep. Wool, 5% Nylon", "40% Rep. Wool, 50% Spun Rayon, 10% Nylon", fabrics which contained substantially less woolen fibers than thus represented, and by failing to comply with labeling requirements in other respects.

Mr. Charles W. O'Connell for the Commission.

Respondents, *pro se*.

INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

This proceeding is before the undersigned Hearing Examiner for final consideration on the complaint, answer thereto, testimony and other evidence and proposed findings as to the facts and conclusions presented by counsel in support of the complaint. The Hearing Examiner has given consideration to the proposed findings of fact and conclusions submitted by counsel supporting the complaint, and all findings of fact and conclusions of law not hereinafter specifically found or concluded are herewith rejected and the Hearing Examiner, having considered the record herein and being now fully advised in the premises, makes the following findings as to the facts, conclusions drawn therefrom and order:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. For approximately 7 or 8 months prior to October 1959, respondents Richard F. Jorn and Irving Rifkin were copartners trading as Tessitalia with their office and principal place of business located at 566 Seventh Avenue, New York, New York. During this period respondents imported from Italy and introduced into commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939, "wool products", as wool products are defined therein.

PAR. 2. These wool products, consisting principally of flannel-type goods and tweeds, were purchased by respondents from mills located in Italy through a mill agent and were shipped to respondents by the mill in bolts in bale lots, f.o.b. Italy. The original papers pertaining to such imported shipments were sent to the First National Bank

Order

58 F.T.C.

of Boston which acted as factor in the transaction. The customers of respondents paid the bill to the First National Bank of Boston, as factor, who, in turn, would remit to the mill through the Italian banks and, after deducting fees and expenses, remitted the balance to the respondents. This merchandise was of varying wool content and was labeled as to fiber content when received by respondents and such labels remained on the goods as shipments were delivered intact.

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 woollen fabrics labeled or tagged by respondents as follows:

Item 1—Product labeled 95% reprocessed wool, 5% nylon which, in fact, contained 89.5% wool, 9.7% nylon and .8% acetate.

Item 2—Product labeled 35% new wool, 60% reprocessed wool, 5% nylon which, in fact, contained 91.7% wool, 7.5% nylon and .8% acetate.

Item 3—Product labeled 40% reprocessed wool, 50% rayon, 10% nylon which, in fact, contained 29.6% wool, 63.5% residue (other than wool or acetate) and 6.9% acetate.

Item 4—Product labeled 40% reprocessed wool, 50% rayon, 10% nylon which, in fact, contained 25.8% wool, 68.1% residue (other than wool or acetate) and 6.1% acetate.

PAR. 4. During the time that they were engaged in business as Tessitalia, the respondents did a gross business of \$500,000 and were engaged in substantial competition in interstate commerce with other concerns also engaged in the sale and distribution of similar wool products.

CONCLUSIONS

The acts and practices of the respondents, as herein found, were in violation of Sections 4(a)(1) and 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, and constituted unfair and deceptive acts and practices and unfair methods of competition in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER

It is ordered, That respondents Richard F. Jorn and Irving Rifkin, individually and as copartners trading as Tessitalia, or under any other name or names, and respondents' representatives, agents and

employees, directly or through any corporate or other device, in connection with the 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 fabrics or other "wool products", as such products are defined in and subject to said Wool Products Labeling Act, 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 wool products showing each element of information required to be disclosed by Section 4(a) (2) of the Wool Products Labeling Act of 1939.

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 4th day of April 1961, become the decision of the Commission; and, accordingly:

It is ordered, That the 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.
