

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
CLISA CORPORATION ET AL.

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

Docket 8395. Complaint, May 11, 1961—Decision, Aug. 22, 1961

Consent order requiring a Boston distributor of raw wools and imported specialty fibers, to cease representing alpaca fiber stocks on invoices as "100% Baby Llama".

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 Clisa Corporation, a corporation and Vincent Melone, 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 Clisa Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its principal office and place of

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business located at 146 Summer Street, in the City of Boston, State of Massachusetts.

PAR. 2. Respondent Vincent Melone is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the practices hereinafter set forth. His address is the same as that of the corporate respondent.

PAR. 3. Respondents are now, and for some time last past have been, engaged in offering for sale, sale and distribution of raw wools and imported specialty fibers.

PAR. 4. Respondents in the course and conduct of their business, now cause, and for some time last past have caused, their said fiber stocks, when sold, to be shipped from their place of business in the State of Massachusetts to purchasers thereof located in various other states of the United States, and maintain, and at all times mentioned herein have maintained, a substantial course of trade in said stocks in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. In the course and conduct of their business as aforesaid, respondents have made representations concerning their said fiber stocks on sales invoices. Among and typical of these representations was the following:

100% Baby Llama

PAR. 6. The aforesaid representations were false, misleading and deceptive. In truth and in fact, said fiber stocks consisted of alpaca.

PAR. 7. The acts and practices set out above have had and now have the tendency and capacity to mislead and deceive purchasers of said fiber stocks as to the true fiber content, and cause such purchasers to misbrand and misrepresent products manufactured by them in which said materials were used.

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

PAR. 9. The acts and practices of the respondents set out above 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, in commerce, within the intent and meaning of the Federal Trade Commission Act.

Mr. Arthur Wolter, Jr., supporting complaint.

Roche, Leen & Maloney by *Mr. Vincent F. Leahy*, of Boston, Mass., for respondents.

INITIAL DECISION BY JOHN LEWIS, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on May 11, 1961, charging them with the use of unfair and deceptive acts and practices and unfair methods of competition, in commerce, in violation of the Federal Trade Commission Act, by falsely invoicing the contents of fiber stocks sold and distributed by them. After being served with said complaint, respondents appeared by counsel and entered into an agreement dated June 21, 1961, containing a consent order to cease and desist purporting to dispose of all of this proceeding as to all parties. Said agreement, which has been signed by all respondents, by counsel for said respondents and by counsel supporting the complaint, and approved by the Acting Director and Assistant Director of the Commission's Bureau of Litigation, has been submitted to the above-named hearing examiner for his consideration, in accordance with Section 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings.

Respondents, pursuant to the aforesaid agreement, have admitted all the jurisdictional facts alleged in the complaint and agreed that the record may be taken as if findings of jurisdictional facts had been duly made in accordance with such allegations. Said agreement further provides that 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 such agreement. It has been agreed that the order to cease and desist issued in accordance with said agreement shall have the same force and effect as if entered after a full hearing and that the complaint may be used in construing the terms of said order. It has also been agreed that the record herein shall consist solely of the complaint and said agreement, and that said 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.

This proceeding having now come on for final consideration on the complaint and the aforesaid agreement containing consent order, and it appearing that the order provided for in said agreement covers all of the allegations of the complaint and provides for an

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appropriate disposition of this proceeding as to all parties, said agreement is hereby accepted and is ordered filed upon this decision's becoming the decision of the Commission pursuant to Sections 3.21 and 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings, and the hearing examiner, accordingly, makes the following jurisdictional findings and order:

1. Respondent Clisa Corporation 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 146 Summer Street, in the City of Boston, State of Massachusetts. Respondent Vincent Melone is an officer of the corporate respondent. He formulates, directs and controls the acts and practices of the corporate respondent, including the practices hereinafter set forth. His 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 hereinabove named. The complaint states a cause of action against said respondents under the Federal Trade Commission Act, and this proceeding is in the interest of the public.

ORDER

It is ordered, That respondents Clisa Corporation, a corporation, and its officers, and Vincent Melone, 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 fiber stocks or any other product in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing on invoices or in any other manner that certain fiber stocks are "100% Baby Llama" unless such is the fact.

2. Misrepresenting the character or the amount of the constituent fibers contained in such products, on invoices, 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 22d day of August 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

