

sion 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.

IN THE MATTER OF

MERRIMACK TEXTILE FIBRES, INC., ET AL.

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

Docket 8218. Complaint, Dec. 9, 1960—Decision, Sept. 9, 1961

Consent order requiring manufacturers in Lowell, Mass., to cease violating the Wool Products Labeling Act and the Federal Trade Commission Act by labeling and invoicing as "95% All Wool, 5% Other Fibers," picked wool stock which consisted substantially of reprocessed wool; and to stamp or label their products as required by the Wool Products Labeling Act.

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 Merrimack Textile Fibres, Inc., a corporation, and Selby B. Groff, Joseph G. Duffy and William Ben Cooper, individually and as officers 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 Merrimack Textile Fibres, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Massachusetts, with its office and principal place of business located at 256 Market Street, Lowell, Massachusetts.

The individual respondents, Selby B. Groff, Joseph G. Duffy and William Ben Cooper, are president, treasurer and secretary, respectively, of the corporate respondent and cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter referred to in the complaint. Said individual respondents maintain a business address at the same address as the corporate respondent.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, 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 respondents within the intent and meaning of Section 4(a)(1) of said 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 was picked wool stock invoiced and labeled as "95% All Wool, 5% Other Fibers" whereas, in truth and in fact, said stock did not contain 95% wool, as the term "wool" is defined in the Wool Products Labeling Act, but substantially consisted of "reprocessed 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 and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

PAR. 5. The respondents in the course and conduct of their business as aforesaid were and are in substantial competition in commerce with other corporations, firms and individuals likewise engaged in the manufacture and sale of wool products, including picked wool stock.

PAR. 6. The acts and practices of the respondents as set forth above were, and are, in violation of the Wool Products Labeling Act of 1939 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. Respondents, in the course and conduct of their business, as aforesaid, invoiced their picked wool stock as "95% Wool, 5% Other Fibers" whereas in truth and in fact, said stock did not contain 95% wool, as the term "wool" is defined in the Wool Products Labeling Act, but substantially consisted of "reprocessed wool".

PAR. 8. The acts and practices of respondents set out in Paragraph Seven have the capacity and tendency to mislead and deceive purchasers of said picked wool stock as to the true fiber content thereof and to result in the misbranding of products manufactured by such purchasers in which said wool stock was used.

PAR. 9. The acts and practices set out in Paragraph Seven 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. Michael P. Hughes supporting the complaint.

Flood, Valentine & Foisy, Lowell, Mass., by *Mr. Robert P. Sullivan*, for respondents.

INITIAL DECISION BY EDWARD CREEL, HEARING EXAMINER

The Federal Trade Commission issued its complaint against the above-named respondents on December 9, 1960, charging them with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939 in connection with the manufacture and sale of wool products, including picked wool stock.

On July 19, 1961, there was submitted to the hearing examiner an agreement between respondents, their counsel, and counsel supporting the complaint providing for the entry of a consent order.

Under the terms of the agreement, the respondents admit the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the cease and desist order there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing, and the document includes a waiver by the respondents of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondents that they have violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of § 3.25(b) of the Rules of the Commission.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appro-

priate basis for settlement and disposition of this proceeding, hereby accepts the agreement, and it is ordered that said agreement shall not become a part of the official record unless and until it becomes a part of the decision of the Commission. The following jurisdictional findings are made and the following order issued:

1. Respondent Merrimack Textile Fibres, Inc., is a Massachusetts corporation with its office and principal place of business located at 256 Market Street, Lowell, Massachusetts.

Selby B. Groff, Joseph G. Duffy, and William Ben Cooper are individuals and officers of the corporate respondent and formulate, direct and control the acts, policies and practices of the corporate respondent. Said individual respondents have the same office and principal place of business as said 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 the respondents, Merrimack Textile Fibres, Inc., a corporation, and its officers, and Selby B. Groff, Joseph G. Duffy, and William Ben Cooper, 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 picked wool stock 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 Section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered. That the respondents, Merrimack Textile Fibres, Inc., a corporation, and its officers, and Selby B. Groff, Joseph G. Duffy, and William Ben Cooper, 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 picked wool stock, or any other materials, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepre-

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senting the character or amount of the constituent fibers contained in such products or invoices or shipping memoranda applicable thereto, 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 9th day of September 1961, 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 re-