

sion a report in writing setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF
SENECA QUILTING 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 8363. Complaint, Apr. 17, 1961—Decision, Sept. 29, 1961

Consent order requiring Brooklyn manufacturers to cease violating the Wool Products Labeling Act by labeling as "100% reprocessed wool, exclusive of ornamentation" and "90% reprocessed wool, 10% other fibers", interlining materials which contained substantially less woolen fibers than so represented, failing to comply with other labeling requirements, and furnishing false guaranties that certain of their wool products were not misbranded; and to cease violating the Federal Trade Commission Act by using on invoices the misrepresentations as to fiber content above set out.

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 Seneca Quilting Company, Inc., a corporation, and Arthur Eisenberg and Paul Melinger, 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 Seneca Quilting Company, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondents Arthur Eisenberg and Paul Melinger 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 76 Crown Street in Brooklyn, 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 misbranded wool products were interlining materials labeled or tagged by respondents as "100% reprocessed wool, exclusive of ornamentation" and "90% reprocessed wool, 10% other fibers" whereas, in truth and in fact, said products contained substantially less woolen fibers than that set forth on the said labels in each instance.

PAR. 4. Certain of said wool products were 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 under said Act.

PAR. 5. Respondents have furnished false guaranties that certain of their wool products were not misbranded, when they knew, or had reason to believe, that the said wool products so falsely guaranteed might be introduced, and were introduced, sold, transported, or dis-

tributed in commerce, in violation of Section 9 of the Wool Products Labeling Act.

PAR. 6. 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 interlining materials.

PAR. 7. The acts and practices of the respondents, as set forth above, 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. 8. In the course and conduct of their business, respondents have made certain statements with respect to the fibers of which their woolen interlining materials were composed on invoices covering the shipment of said interlining materials, among which the following are typical:

100% Reprocessed Wool, Exclusive of Ornamentation, and
90% Reprocessed Wool, 10% other fibers;

whereas, in truth and in fact, said interlining materials contained substantially less woolen fibers than that set forth on the said invoices.

PAR. 9. The acts and practices set out in Paragraph Eight had and now have the tendency and capacity to mislead and deceive purchasers of said interlining materials as to the true fiber content thereof and to misbrand products manufactured by them in which said products were used.

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

DECISION AND ORDER

This matter having come on to be heard by the Commission upon a record consisting of the Commission's complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and an agreement by and between respondents and counsel supporting the complaint, which agreement contains an order to cease and desist, an admission by the respondents of all the jurisdictional facts alleged in the complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that they have violated the law as alleged

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in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission having considered the agreement and order contained therein and being of the opinion that the agreement provides an adequate basis for appropriate disposition of the proceeding, the agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent Seneca Quilting Company, Inc., 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 principal place of business located at 76 Crown Street, Brooklyn, New York.

Respondents Arthur Eisenberg and Paul Melinger are officers of the corporate respondent. 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 Seneca Quilting Company, Inc., a corporation, and its officers, and Arthur Eisenberg and Paul Melinger, 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 wool interlining materials 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 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 contained 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, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

B. Furnishing false guarantees that wool products are not misbranded under the provisions of the Wool Products Labeling Act, when there is reason to believe that the wool products so guaranteed may be introduced, sold, transported or distributed in commerce.

It is further ordered, That respondents Seneca Quilting Company, Inc., a corporation, and its officers, and Arthur Eisenberg and Paul

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Melinger, 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 interlining materials or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting, directly or indirectly, the constituent fibers of which such products are composed, or the percentages thereof, in invoices, shipping memoranda, or in any other manner.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commis-