

examiner shall, on the 24th day of October, 1961, become the decision of the Commission; and, accordingly:

It is ordered, That Respondent T. W. Holt & Company, Inc., a corporation, shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

IN THE MATTER OF

H. L. KLEBANOW & SON, INC., ET AL.

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

Docket 8375. Complaint, Apr. 25, 1961—Decision, Oct. 24, 1961

Consent order requiring New York City importers to cease invoicing fabrics imported from Italy as "95% Wool 5% Nylon" when they contained substantially less than 95% wool and when the so-called "wool" fibers were actually reprocessed wool.

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 H. L. Klebanow & Son, Inc., a corporation, and Hyman L. Klebanow and Bernard Klebanow, individually and as officers 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 H. L. Klebanow & Son, Inc. 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 business located at 247 West 37th Street, New York, New York. Individual respondents Hyman L. Klebanow and Bernard Klebanow are President and Treasurer, respectively, of the corporate respondent. Said individual respondents formulate, direct and control the acts, practices and policies of said corporate respondent. The office of the individual respondents is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the importation into the United States of apparel fabrics from Italy and selling and distributing such products in the United States.

PAR. 3. Respondents, in the course and conduct of their business, now cause, and for some time last past have caused, said products, when sold, to be shipped from their place of business in the State of New York to purchasers 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 products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, as aforesaid, respondents have made representations concerning their said products on sales invoices. Among and typical of the representations was the following:

95% wool 5% Nylon

PAR. 5. The aforesaid representations were false, misleading and deceptive. In truth and in fact, said products contained substantially less woolen fibers than was represented; in addition, the woolen fibers were described on the invoices as "wool" whereas, in truth and in fact, they were reprocessed wool as this term is known to the public and defined in the Wool Products Labeling Act.

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 hair of the Angora or Cashmere goat, including the so-called specialty 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."

PAR. 6. The acts and practices set out above have had and now have the tendency and capacity to mislead and deceive purchasers of said products as to the true fiber content, and the quality of the constituent fibers or material used in the manufacture of said product and to cause such purchasers to misbrand and misrepresent products manufactured by them in which said materials were used.

PAR. 7. In the course and conduct of their business and at all times mentioned herein, respondents have been and are in substantial competition, in commerce, with corporations, firms and individuals in the sale of apparel fabrics of the same general kind and nature as that sold by respondents.

PAR. 8. The acts and practices of the respondents set out above 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. Michael P. Hughes supporting the complaint.

Guzik and Boughtein, of New York, N.Y., for respondents.

INITIAL DECISION BY JOHN B. POINDEXTER, HEARING EXAMINER

On April 25, 1961 the Federal Trade Commission issued a complaint charging that the above-named respondents had violated the provisions of the Federal Trade Commission Act. The complaint alleged that respondents, in the course and conduct of their business, had made representations which were false, misleading and deceptive concerning their apparel fabrics.

After issuance and service of the complaint respondents, their attorneys, and counsel supporting the complaint entered into an agreement for a consent order. The agreement disposes of the matters complained about and has been approved by the Chief of the Division and the Director of the Bureau of Deceptive Practices.

The pertinent provisions of said agreement are as follows: Respondents admit all jurisdictional facts; the complaint may be used in construing the terms of the order; the order shall have the same force and effect as if entered after a full hearing and the said agreement shall not become a part of the official record of the proceeding unless and until it becomes a part of the decision of the Commission; the record herein shall consist solely of the complaint and the agreement; respondents waive the requirement that the decision must contain a statement of findings of fact and conclusions of law; respondents waive further procedural steps before the hearing examiner and the Commission, and the order may be altered, modified, or set aside in the manner provided by statute for other orders; respondents waive any right to challenge or contest the validity of the order entered in accordance with the agreement and 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 in the complaint.

The undersigned hearing examiner having considered the agreement and proposed order, hereby accepts such agreement, makes the following jurisdictional findings, and issues the following order:

JURISDICTIONAL FINDINGS

1. Respondent H. L. Klebanow & Son, Inc., 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 247 West 37th Street, in the City of New York, State of New York.

2. Hyman L. Klebanow and Bernard Klebanow are individuals and officers of the corporate respondent and formulate, direct and control the acts, policies and practices of the corporate respondent. The office of the individual respondents is the same as that of the corporate respondent.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinabove named and the proceeding is in the public interest.

ORDER

It is ordered, That respondents H. L. Klebanow & Son, Inc., a corporation, and its officers, and Hyman L. Klebanow and Bernard Klebanow, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of apparel fabrics or other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist, directly or indirectly in sales invoices, shipping memoranda, or in any other manner from:

1. Misrepresenting the name and amount of the constituent fibers of which their products are composed.

2. Describing, designating or in any way referring to any product or portion of a product which is "reprocessed wool" as "wool".

3. Using the word "wool" to describe, designate or in any way refer to any product or portion of a product which is not the fiber from the fleece of the sheep or lamb, or hair of the Angora or Cashmere goat, or hair of the camel, Alpaca, Llama, or Vicuna which has never been reclaimed from any woven or felted product; provided however, nothing herein shall prohibit the use of the terms "reprocessed wool" or "reused wool" when the products or those portions thereof referred to are composed of such fibers.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, published May 6, 1955, as amended, the initial decision of the hearing examiner shall, on the 24th day of October, 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.

Complaint

59 F.T.C.

IN THE MATTER OF

COMPTONE COMPANY, LTD., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL TRADE COMMISSION ACT AND SEC. 2(d) OF THE CLAYTON ACT

Docket 8377. Complaint, Apr. 25, 1961—Decision, Oct., 24, 1961

Consent order requiring New York City manufacturers and distributors of sunglasses to cease violating Sec. 5 of the Federal Trade Commission Act by advertising falsely in sales brochures, counter display cards, and other promotional material supplied to jobbers and retailers, that their lenses were "formed to 6 base convex shape", "Precision made to high optical standards", and "Guaranteed Safe Lenses"; and by failing to disclose clearly when lenses manufactured in Japan were contained in their sunglasses; and to cease violating Sec. 2(d) of the Clayton Act by paying certain of their customers, but not the latter's competitors, for services or facilities, such as an allowance of \$5,000 for advertising furnished by United Whelan Corp.

COMPLAINT

The Federal Trade Commission, having reason to believe that Comptone Company, Ltd., a corporation and Manuel R. Nadel and George Jacques, individually, and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of the Federal Trade Commission Act and subsection (d) of Section 2 of the Clayton Act, as amended (15 U.S.C. 13), 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 with respect thereto as follows:

COUNT I

Charging a violation of Section 5 of the aforesaid Federal Trade Commission Act:

PARAGRAPH 1. Respondent Comptone Company, Ltd., is a corporation organized, existing and doing business under the laws of the State of New York with its office and principal place of business located at 1239 Broadway, New York, New York. Respondents Manuel R. Nadel and George Jacques are officers of the corporate respondent. These individuals formulate, direct and control the acts and practices of the corporate respondent, including the acts and practices hereinafter set out. The address of these individual respondents is the same as that of the corporate respondent.

PAR. 2. Respondents are now, and have been for some time, engaged in the manufacture, assembling, sale and distribution of sunglasses.