

B. Failing to set forth the item number or mark assigned to a fur product.

It is further ordered, That the respondent shall, within sixty (60) days after service upon her of this order, file with the Commission a report in writing setting forth in detail the manner and form in which she has complied with this order.

IN THE MATTER OF
BELL IMPORTING COMPANY ET AL.

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

Docket C-50. Complaint, Dec. 21, 1961—Decision, Dec. 21, 1961

Consent order requiring two associated sellers of men's and women's clothes, with headquarters in Mississippi City, Miss., and two branch stores in Biloxi—taking measurements of customers who made a selection from samples or swatches, and placing the filled-in orders with a tailor in the Crown Colony of Hong Kong, China, who shipped the completed garments to respondents—to cease violating the Wool Products Labeling Act by tagging as "Super Cashmere," "Cashmere," and "Mohair," men's coats and samples which contained a substantial quantity of other fibers, and failing to disclose on the labels the true generic names of the fibers present, the percentage thereof, and the registered identification number of the manufacturer; falsely representing various men's coats as entirely composed of vicuna, on invoices, shipping memoranda, etc.; and representing falsely that they manufactured their products and had a place of business in Hong Kong.

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 Bell Importing Company, a corporation, Crown Colony Shops, Inc., a corporation, and John E. Bell, Sr., Mary Canon Bell and John E. Bell, Jr., individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated

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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. Respondents Bell Importing Company and Crown Colony Shops, Inc., are each a corporation organized, existing and doing business under and by virtue of the laws of the State of Mississippi. Individual respondents John E. Bell, Sr., Mary Canon Bell, and John E. Bell, Jr., are President and Treasurer, Vice President, and Secretary, respectively, of each of the corporate respondents. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the said corporate respondents, including the acts and practices hereinafter referred to. All respondents have their office and principal place of business at Texas Street and U.S. Highway 90, in Mississippi City, Mississippi. Respondents operate branch stores at the Buena Vista Beach Hotel and the Sun-n-Sand Hotel Court in Biloxi, Mississippi.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January, 1959, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, and offer for sale in commerce wool products, as the terms "commerce" and "wool product" are defined in the said Act.

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, but not limited thereto, were men's coats and selling samples labeled and tagged by respondents as "Super Cashmere", "Cashmere" and "Mohair", whereas, in truth and in fact, said products contained a substantial quantity of fibers other than cashmere and mohair, respectively.

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 as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were wool products with labels which failed: (1) to show the true generic names of the fibers present; (2) to show the percentage of such fibers; and (3) to show the name or registered identification

number of the manufacturer or a person subject to Section 3 of the Wool Products Labeling Act.

PAR. 5. Certain of said wool products were misbranded in violation of the Wool Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

(a) Specimens or samples of wool products which were used to promote or effect sales of such wool products in commerce were not labeled or marked to show the information required under Section 4(a)(2) of the Wool Products Labeling Act and the Rules and Regulations thereunder, in violation of Rule 22 of the aforesaid Rules and Regulations.

(b) Labels attached to the wool products showed the content as "cashmere" or "mohair" without setting forth the actual percentages of the cashmere or mohair contained therein, in violation of Rule 19 of the aforesaid Rules and Regulations.

PAR. 6. The acts and practices of respondents as above set forth were in violation 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.

PAR. 7. Respondents are now, and for some time last past, have been engaged in advertising, offering for sale, selling, and distributing men's and women's clothes, and other merchandise to the public. Respondents' said business, in the main, is that of taking orders from customers who call at their said place of business and make a selection from samples or swatches of the wool products desired and, after measurements are taken, the filled in order is then placed with a tailor in the Crown Colony of Hong Kong, China. Upon completion of the garment or garments by the aforesaid tailor, the same are shipped from the Crown Colony of Hong Kong, China, to respondents at their place of business in the State of Mississippi.

PAR. 8. In the course and conduct of their business, respondents have imported certain products into the United States, have caused said products to be delivered to respondents' place of business in the State of Mississippi, and have shipped said products from their place of business in the State of Mississippi to purchasers thereof located in various other States of the United States. Respondents 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. 9. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices, shipping memoranda,

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orders and other documents misrepresenting the fiber content of certain of their said products. Among and typical but not inclusive of such misrepresentations were statements representing certain articles of wearing apparel, namely men's coats, to be "vicuna", thus implying that the said products were composed entirely of the hair of the vicuna whereas in truth and in fact the fabric contained a predominant amount of fiber other than the hair of the vicuna.

PAR. 10. In the course and conduct of their business, and for the purpose of inducing the sale of their said products, respondents have made certain statements with respect to the nature, size and stature of their business in advertisements, in magazines of national circulation, and in circulars sent through the United States mails. Typical, but not all inclusive, of said statements and representations are those which portray the picture of a large three story building with the words "BELL IMPORTING CO., HONG KONG" appearing in large letters on two sides of the building above the second story, as well as over the main doorway entrance. The legend appearing above said picture is as follows:

The Hong Kong establishment of the Bell Importing Company, where the imported fabrics are collected and the fine custom tailored clothes described in this article are created. All they need is your size, your selection and your mailing address.

PAR. 11. Through the use of the aforesaid statements and pictures, respondents thereby represent that they own, operate and control the factory in which their said clothing products are tailored and manufactured and that the same is located in the Crown Colony of Hong Kong.

PAR. 12. Said statements and representations are false, misleading and deceptive. In truth and in fact, respondents do not own, operate or control the factory in which their said clothing products are tailored and manufactured, nor do they have such a place of business in the Crown Colony of Hong Kong.

PAR. 13. There is a preference on the part of many members of the public to deal directly with a manufacturer, including the manufacturer of clothing, in the belief that by doing so, certain advantages accrue, including better prices.

PAR. 14. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals in the sale of wearing apparel of the same general kind and nature as that sold by respondents.

PAR. 15. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices as set out in Paragraphs Seven through Twelve has had, and now has, the capacity and tendency to mislead members of the purchasing public into the

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erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief. As a consequence thereof, substantial trade in commerce has been, and is being, unfairly diverted to respondents from their competitors and substantial injury has thereby been, and is being, done to competition in commerce.

PAR. 16. The aforesaid acts and practices of respondents, as alleged in Paragraphs Seven through Twelve 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.

DECISION AND ORDER

The Commission having heretofore determined to issue its 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 the respondents having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth 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 the law has been violated as set forth in the complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Bell Importing Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Mississippi, with its office and principal place of business located at Texas Street and U. S. Highway 90, in the city of Mississippi City, State of Mississippi.

Respondent Crown Colony Shops, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Mississippi, with its office and principal place of business located at Texas Street and U. S. Highway 90, in the city of Mississippi City, State of Mississippi.

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Respondents John E. Bell, Sr., Mary Canon Bell, and John E. Bell, Jr. are officers of the said corporations and their address is the same as that of the said corporations.

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 Bell Importing Company, a corporation, Crown Colony Shops, Inc., a corporation, and John E. Bell, Sr., Mary Canon Bell, and John E. Bell, Jr., individually and as officers of said corporations, 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, distribution, delivery for shipment, or shipment in commerce, of wool products, as the terms "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding wool 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.

3. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as "cashmere" or "mohair" without setting forth the actual percentages of the cashmere or mohair contained therein.

4. Failing to affix labels to samples, swatches or specimens of wool products used to promote or effect sales of wool 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 Bell Importing Company, a corporation, Crown Colony Shops, Inc., a corporation, and John E. Bell, Sr., Mary Canon Bell, and John E. Bell, Jr., 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 articles of wearing apparel or any other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Misrepresenting the character and amount of constituent fibers

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contained in such products on invoices or shipping memoranda applicable thereto or in any other manner.

B. Representing in any manner, contrary to fact, that respondents own, operate, or control the factory in which such products are tailored or manufactured, or that respondents, have a place of business in the Crown Colony of Hong Kong.

It is further ordered, That the respondents herein shall, within