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IN THE MATTER OF  
FOX KNAPP MANUFACTURING COMPANY ET AL.

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

*Docket 8330. Complaint, Mar. 16, 1961—Decision, Dec. 27, 1961*

Consent order requiring New York City manufacturers to cease violating the Wool Products Labeling Act by labeling and tagging cotton corduroy jackets with the name "Woolmaster" when the only wool content was reprocessed woolen fibers in the interlining, and failing to comply in other respects with requirements of said Act; to cease violating the Textile Fiber Products Identification Act by such practices as attaching to a

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knitted sweater of Orlon acrylic and cotton a label reading ". . . styled by Woolmaster Co.", thus implying falsely that it contained wool, and by placing the label showing the required information in an inconspicuous place on the garment; and to cease violating the Federal Trade Commission Act by advertisements of their sportswear in the New York Times which implied falsely, by the statement "DYNEL Woolmaster", that the garments depicted were made of wool.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Fox Knapp Manufacturing Company, a corporation, and David B. Knapp and Joseph Knapp, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of such Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act and the Textile Fiber Products Identification 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 Fox Knapp Manufacturing Company is a corporation organized, existing and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania, with its principal office and place of business located at 1 West 34th Street, New York, New York.

Individual respondents David B. Knapp is chairman and treasurer and Joseph Knapp is president of said corporate respondent. Said individual respondents formulate, direct and control the acts, practices and policies of the corporate respondent. The office and principal place of business of the individual respondents is the same as that of the corporate respondent.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, and more especially since January 1959, respondents have manufactured for introduction into commerce, offered for sale in commerce, sold, transported, distributed, delivered for shipment, and introduced into 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 of the constituent fibers contained therein.

Among such misbranded wool products were cotton corduroy jackets containing woolen interlinings, labeled or tagged "Shell 100% Cotton, Interlinings 90% Reprocessed Wool, 10% other fibers \* \* \*". In the neck of these garments was a woven label which sets forth "Outerwear styled by Woolmaster Co." and a hang tag attached thereto that set forth "Woolmaster Division Fox Knapp" thereby implying that the garment was 100% wool, whereas in truth and in fact the only woolen fibers present were the reprocessed ones in the interlining.

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. Respondents, in the course and conduct of their business, as aforesaid, were and are in competition in commerce with other individuals, corporations and firms likewise engaged in the manufacture and sale of wool products.

PAR. 6. The acts and practices, 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. Subsequent to the effective date of the Textile Fiber Products Identification Act on March 3, 1960, respondents have been and are now engaged in the introduction, delivery for introduction, manufacture for introduction, sale, advertising and offering for sale, in commerce, and in the transportation or causing to be transported in commerce and in the importation into the United States of textile fiber products; and have sold, offered for sale, advertised, delivered, transported and caused to be transported, after shipment in commerce, textile fiber products, either in their original state or which were made of other textile products so shipped in commerce, as the terms "commerce" and "textile fiber products" are defined in the Textile Fiber Products Identification Act.

PAR. 8. Certain of said textile fiber products were misbranded by respondents within the intent, and meaning of Section 4(a) of the Textile Fiber Products Identification Act, and Rule 18 of the Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised or other-

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wise identified as to the name or amount of constituent fibers contained therein, and in implying the name of a fiber not present therein.

Among such misbranded textile fiber products was a knitted sweater bearing a neck label attached to the garment setting forth "Outerwear styled by Woolmaster Co." thus implying that it contained wool. In truth and in fact, such garment contained no wool, but was made of Orlon acrylic and cotton.

PAR. 9. Such textile fiber product was further misbranded in that the label showing the information required to be disclosed under the Textile Fiber Products Identification Act was placed in an inconspicuous place on the garment, being sewed in the inner seam or at the bottom thereof in violation of Rule 15 of the Rules and Regulations promulgated under the Textile Fiber Products Identification Act.

PAR. 10. The respondents, in the course and conduct of their business, as aforesaid, were and are in substantial competition with other corporations, firms and individuals likewise engaged in the manufacture and sale of textile fiber products, in commerce.

PAR. 11. The acts and practices of respondents, as set forth in Paragraphs Seven, Eight and Nine, were in violation of the Textile Fiber Products Identification 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. 12. In the course and conduct of their business, the manufacture and sale of sportswear, respondents now cause, and for some time last past have caused, said garments to be shipped from their factories in Pennsylvania to retail trade and mail order houses throughout the United States.

Respondents maintain, and at all times mentioned herein have maintained, substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 13. 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 and representations with respect to the sale of sportswear in advertisements in the New York Times, a newspaper having a wide circulation in various States of the United States. Among and typical, but not all inclusive, of said statements is the following:

DYNEL Woolmaster  
Division of  
Fox Knapp

Under the trade mark "Woolmaster" is a picture depicting four models wearing coats and jackets and in small letters on the bottom of the advertisement is the names of the fibers contained in the depicted garments.

PAR. 14. Through the use of the trade mark woolmaster in conjunction with the depicted garments, respondents have represented, directly and by implication, that the garments depicted are made of wool.

PAR. 15. The said advertisements were false, misleading and deceptive. In truth and in fact, three of the depicted garments contained no woolen fiber.

PAR. 16. In the conduct of their business, and at all times mentioned herein, respondents have been in substantial competition in commerce with corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by respondents.

PAR. 17. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had and now has the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondents' product 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. 18. The aforesaid acts and practices of respondents, as herein alleged, 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* for the Commission;

*Mr. Jules Goldstein*, New York, N.Y., for respondents.

INITIAL DECISION BY LEON R. GROSS, HEARING EXAMINER

The complaint issued by the Federal Trade Commission in this proceeding on March 16, 1961, charges respondents with violating the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, the Textile Fiber Products Identification Act and the Rules and Regulations promulgated under said Acts. Respondents are charged with misbranding their products sold by them in commerce, as "commerce" is defined in each of said Acts. A copy of the complaint was

served upon respondents as required by law. Thereafter respondents filed their answer to the complaint, and a prehearing conference was convened on May 31, 1961, pursuant to § 3.10 of the Commission's Rules of Practice for Adjudicative Proceedings. On November 14, 1961, the parties submitted to the undersigned an agreement dated November 8, 1961, which purports to dispose of all the issues of this proceeding as to all parties involved. Said agreement has been signed by the respondents, their counsel, and by counsel supporting the complaint, and has been approved by the Chief of Division and the Director, Bureau of Deceptive Practices of this Commission. The said agreement was submitted to the above-named hearing examiner for his consideration, in accordance with § 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. The parties have, *inter alia*, by such agreement agreed: (1) 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; (2) the complaint may be used in construing the terms of said order; (3) the record herein shall consist solely of the complaint and said agreement; and (4) 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 of November 8, 1961, 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 appropriate disposition of this proceeding as to all parties, the agreement of November 8, 1961, is hereby accepted, pursuant to § 3.21 and § 3.25 of the Commission's Rules of Practice for Adjudicative Proceedings; and

The undersigned hearing examiner having considered the complaint herein and the agreement and proposed order, and being of the opinion that the disposition of this proceeding by means of said agreement will be in the public interest, makes the following jurisdictional findings, and issues the following order:

## JURISDICTIONAL FINDINGS

1. The Federal Trade Commission has jurisdiction over the parties and the subject matter of this proceeding;

2. Respondent Fox Knapp Manufacturing Company is a corporation existing and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania, with its office and principal place of business located at 1 West 34th Street, in the City of New York, State of New York. Individual respondents David B. Knapp and Joseph Knapp are, respectively, chairman and treasurer, and president, of the said corporate respondent. The office and principal place of businesses of the individual respondents is the same as that of the corporate respondent;

3. Respondents are engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act, the Wool Products Labeling Act of 1939, and the Textile Fiber Products Identification Act;

4. The complaint herein states a cause of action against said respondents under the Acts hereinabove named, and this proceeding is in the public interest.

## ORDER

*It is ordered,* That respondents Fox Knapp Manufacturing Company, a corporation, and its officers, and David B. Knapp and Joseph Knapp, 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 products as "wool products" are defined in and subject to said Wool Products Labeling Act, 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 wool products showing each element of information required to be disclosed by § 4(a)(2) of the Wool Products Labeling Act of 1939.

*It is further ordered,* That respondents Fox Knapp Manufacturing Company, a corporation, and its officers, and David B. Knapp and Joseph Knapp 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, delivery for introduction, manufacture for introduction, sale,

advertising or offering for sale, in commerce, or in the transportation or causing to be transported in commerce, or the importation into the United States of textile fiber products; or in connection with the selling, offering for sale, advertising, delivering, transporting or causing to be transported, after shipment in commerce, of textile fiber products, either in their original state or which were contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act, do forthwith cease and desist from misbranding textile fiber products by:

1. Falsely and deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying such products as to the name or amount of constituent fibers contained therein;

2. Using any word or term on a label which constitutes or implies the name or designation of fiber not present in the product to which the label or tag is attached;

3. Failing to attach a label showing the information required to be disclosed under § 4(b) of the Textile Fiber Products Identification Act in a conspicuous place on the product to which it relates.

*It is further ordered*, That respondents Fox Knapp Manufacturing Company, a corporation, and its officers, and David B. Knapp and Joseph Knapp, individually and as officers of said corporation, and their representatives, agents and employees, directly or through any corporate or other device in connection with the advertising, offering for sale, sale, or distribution of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using in advertisements the words "wool" or "Woolmaster" or any other word indicative of wool, to designate or describe any product which is not composed entirely of wool, provided, however, in the case of a product composed in part of wool and in part of other fibers or materials, such words may be used as descriptive of the wool content if there are used in immediate connection or conjunction therewith, in letters of at least equal size and conspicuousness, words designating such other constituent fibers or materials.

#### 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 27th day of December, 1961, become the decision of the Commission; and, accordingly:

*It is ordered*, That respondents Fox Knapp Manufacturing Company, a corporation, and David B. Knapp and Joseph Knapp, indi-

PRIDE O' TEXAS CITRUS ASSN., INC.

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