

from the hearing examiner's initial decision be, and it hereby is, denied.

It is further ordered, That the complaint in this matter be, and it hereby is, dismissed.

IN THE MATTER OF
FEATURE FABRICS, INC., ET AL.

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

Docket 8075. Complaint, Aug. 10 1960—Decision, Apr. 26, 1962

Order requiring New York City sellers of wool fabrics to cease violating the Wool Products Labeling Act by such practices as labeling as "45% Rayon 40% Nylon 15% Reused Wool", fabrics which contained substantially less nylon and reused wool than thus represented; by failing to tag or label wool products as required; and by furnishing a false guaranty that their wool products were not misbranded.

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 Feature Fabrics, Inc., a corporation, and Isidor Kaplan and Benjamin Levine, individually and as officers of said corporation, and Isidor Kaplan, an individual, 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 Feature Fabrics, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents Isidor Kaplan and Benjamin Levine 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. The respondent Isidor Kaplan is an individual trading under his own name. All of the respondents have their office and principal place of business at 222 West Fortieth Street, New York, N.Y.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1958, respondents have 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 fabrics labeled or tagged by respondents as "45% Rayon 40% Nylon 15% Reused Wool." In truth and in fact, said fabrics contain substantially less than the amount of reused wool and nylon as represented on said labels.

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 the Rules and Regulations promulgated thereunder.

PAR. 5. Respondents have furnished a false guaranty that 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, sold, transported, or distributed in commerce, in violation of Section 9 of the Wool Products Labeling Act.

PAR. 6. The respondents, in the course and conduct of their business, as aforesaid, were and are in substantial competition, in commerce,

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with corporations, firms and individuals likewise engaged in the sale of wool products, including woolen fabrics.

PAR. 7. 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.

Mr. DeWitt T. Puckett for the Commission.

Guzik & Boukstein, of New York, N.Y., by *Mr. Leo Guzik*, for respondents.

INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

PRELIMINARY STATEMENT

The complaint in this matter, issued on August 10, 1960, charged the respondents with violation of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder and the Federal Trade Commission Act, in connection with the sale of wool fabrics. On October 31, 1960, an answer to the complaint was filed by the respondents and subsequently, at a hearing held on June 22, 1961, the answer was amended in certain respects. At a further hearing, held on November 20, 1961, respondents through their counsel admitted on the record all of the material allegations of fact in the complaint but denied the conclusions of law stated therein and denied that there had been any willful and intentional violation of law on the part of respondents.

In connection with such admission of facts, respondents' counsel stated that due to personal reasons respondents had decided not to press the denials and defenses set forth in their amended answer; that the charges against respondents involved a single purchase of wool fabric from an Italian wool fabric manufacturer; that the labeling on the merchandise sold by respondents was precisely the same as that received by them in good faith from their supplier; and that respondents acted in good faith and without knowledge that the warranties and representations made to them by their supplier and its agent in the United States were improper and not in accordance with the facts. This statement of counsel was in explanation, not in derogation, of the admission of the facts as alleged in the complaint.

Subsequently proposed findings and conclusions were submitted by Commission counsel and a memorandum in opposition to such proposals was filed by respondents' counsel. The case is now before the

hearing examiner for final consideration. Any proposed findings, conclusions or contentions not included herein have been rejected.

FINDINGS AS TO THE FACTS

1. Respondent Feature Fabrics, Inc., is a New York corporation. Respondents Isidor Kaplan and Benjamin Levine are officers of the corporation and cooperate in formulating, directing and controlling its acts, policies and practices.

Respondent Isidor Kaplan is an individual trading under his own name. All of the respondents have their office and principal place of business at 222 West Fortieth Street, New York, N.Y.

2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1958, respondents have 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.

3. Certain of such wool products were misbranded by 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 fabrics labeled or tagged by respondents as 45% Rayon 40% Nylon 15% Reused Wool." In truth and in fact, such fabrics contained substantially less than the amount of reused wool and nylon as represented on such labels.

4. Certain of such 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 the Rules and Regulations promulgated thereunder.

5. Respondents have furnished a false guaranty that their wool products were not misbranded, when they knew, or had reason to believe, that such products might be introduced, sold, transported, or distributed in commerce, in violation of Section 9 of the Wool Products Labeling Act.

6. Respondents, in the course and conduct of their business are in substantial competition, in commerce, with corporations, firms and individuals likewise engaged in the sale of wool products, including woolen fabrics.

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CONCLUSION

The acts and practices of respondents, as set forth above, 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. The proceeding is in the public interest.

ORDER

It is ordered, That respondents Feature Fabrics, Inc., a corporation, and its officers, and Isidor Kaplan and Benjamin Levine, individually and as officers of said corporation, and Isidor Kaplan, an individual, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the 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 fabrics 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 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.

B. Furnishing a false guaranty that their 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.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to Section 4.19 of the Commission's Rules of Practice effective July 21, 1961, the initial decision of the hearing examiner shall, on the 26th day of April 1962, 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 report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Complaint

IN THE MATTER OF

IRVING SINGER TRADING AS DERNBURG-SINGER FUR
COMPANY

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

Docket 8418. Complaint, June 1, 1961—Decision, Apr. 26, 1962

Consent order requiring a Chicago furrier to cease violating the Fur Products Labeling Act by invoicing and advertising which did not show the true animal name of the fur in a fur product and contained the names of other animals than those producing furs; by failing to show on invoices the country of origin of imported furs and to comply in other respects with invoicing requirements; and by failing to disclose in advertising when furs were dyed, and representing falsely that his stock was "Tremendous, every style, size and color on hand—ready for you" when he customarily filled orders by purchasing fur products from other wholesalers.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Irving Singer, an individual trading as Dernburg-Singer Fur Company, hereinafter referred to as respondent, has violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur 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 Irving Singer is an individual trading as Dernburg-Singer Fur Company with his office and principal place of business located at 190 North State Street, Chicago, Ill.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondent has been, and is now, engaged in the introduction into commerce, and in the sale, advertising, and offering for sale, in commerce, and in the transportation, and distribution, in commerce of fur products, and has sold, advertised, offered for sale, transported and distributed fur products which were made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were falsely and deceptively invoiced by respondent in that they were not invoiced as required