

IN THE MATTER OF
ROBERT J. FREUND ET AL. TRADING AS
ROYAL WOOLEN CO.

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

Docket C-258. Complaint, Oct. 26, 1962—Decision, Oct. 26, 1962

Consent order requiring New York City distributors of textile fiber products to cease violating the Textile Fiber Products Identification Act by labeling as "88% Rayon, 7% Nylon, and 5% Crylor", textile fiber products which contained substantially different amounts of fibers, representing falsely on labels that textiles contained certain fibers only, failing to disclose on labels the true generic name of the fibers present and the percentage thereof, failing in other respects to comply with labeling requirements, and furnishing

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false guaranties that certain of their said products were not misbranded or falsely invoiced; and
To cease violating the Wool Products Labeling Act by misbranding wool fabrics as to fiber content, affixing labels containing false guaranties that the fiber content information was correct, failing to disclose the true generic name and percentage of fibers present and failing in other respects to comply with labeling requirements.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Textile Fiber Products Identification 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 Robert J. Freund and Antoinette Freund, individually and as copartners trading as Royal Woolen Co., hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Textile Fiber Products Identification Act and the Wool Products Labeling Act of 1939 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 Robert J. Freund and Antoinette Freund are individuals and copartners trading as Royal Woolen Co. All respondents have their office and principal place of business at 110 West 40th Street, New York 18, N.Y. Respondents are engaged in the importation of textile fiber products and wool products, namely fabrics, into the United States and in the distribution of such products to manufacturers and wholesalers throughout the country.

PAR. 2. 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, sale, advertising, and offering for sale, in commerce, and in the transportation and 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 have caused to be transported, textile fiber products, which have been advertised and offered for sale in commerce; and have sold, offered for sale, advertised, delivered, transported, and have caused to be transported, after shipment in commerce, textile fiber products, either in their original state or contained in other textile fiber products, as the terms "commerce" and "textile fiber product" are defined in the Textile Fiber Products Identification Act.

PAR. 3. 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 the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised and otherwise identified as to the name and amount of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which:

1. Set forth the fiber content as "88% Rayon, 7% Nylon, and 5% Crylor", whereas, in truth and in fact, said products contained substantially different amounts of fibers.

2. Represented either directly or by implication, that textile fiber products contained certain fibers only, when in truth and in fact, the textile fiber products contained other fibers in substantial amounts.

PAR. 4. Certain of said textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, and otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which failed:

1. To disclose the true generic name of the fibers present; and
2. To disclose the percentage of such fibers.

PAR. 5. Certain of said textile fiber products were further misbranded by respondents in that fibers present in such textile fiber products in the amount of five percentum or less of the total fiber weight were designated by their fiber trademarks in violation of Section 4(b) of the Textile Fiber Products Identification Act and Rule 3 of the Rules and Regulations promulgated thereunder.

PAR. 6. Certain of said textile fiber products were misbranded in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

A. Fiber trademarks were placed on labels without the generic names of the fibers appearing on such labels, in violation of Rule 17(a) of the aforesaid Rules and Regulations.

B. Fiber trademarks were used on labels without a full and complete fiber content disclosure appearing on such labels, in violation of Rule 17(b) of the aforesaid Rules and Regulations.

C. Words, symbols and depictions which constitute or imply the name or designation of a fiber were used on labels attached to textile

fiber products when such fibers were not present in the aforesaid textile fiber products, in violation of Rule 18 of the aforesaid Rules and Regulations.

PAR. 7. The respondents furnished false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 8. The acts and practices of respondents, as set forth above, were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, and constituted, and now constitute unfair methods of competition and unfair and deceptive acts and practices, in commerce, under the Federal Trade Commission Act.

PAR. 9. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have introduced into commerce, sold, transported, distributed, delivered for shipment, shipped and offered for sale in commerce, wool products, as the terms "commerce" and "wool product" are defined in said Act.

PAR. 10. 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 of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, and otherwise identified as to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were wool fabrics labeled and tagged by the respondents as "13% Fibro, 10% Cotton, 77% Wool," whereas, in truth and in fact, said products contained substantially different quantities of fibers.

PAR. 11. Certain of said wool products were misbranded within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder in that labels affixed thereto contained a guarantee that the fiber content information set forth on such labels was correct.

Said guarantee was false and deceptive in that it failed to set forth the terms and conditions thereof and the manner in which performance thereunder would be carried out.

PAR. 12. Certain of said wool products were further misbranded by the respondents in that they were not stamped, tagged, labeled and otherwise identified as required under the provisions of Section 4(a)(2) of the Wool Products Labeling Act of 1939 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 fabrics with labels which failed:

1. To disclose the true generic name of the fibers present; and
2. To disclose the percentage of such fibers.

PAR. 13. Certain of said wool products were misbranded by respondents in violation of the Wool Products Labeling Act of 1939 in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in the following respects:

A. In that labels and tags attached to the wool products described a portion of the fiber content as "Fibro" instead of using the common generic name of said fiber, in violation of Rule 8 of the aforesaid Rules and Regulations.

B. In that nonrequired information or representations were placed on said wool products or on the label or mark of identification of such wool products in such a way as to be false and deceptive and so as to interfere with the required information in violation of Rule 10(b) of the aforesaid Rules and Regulations.

PAR. 14. 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 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.

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, the Textile Fiber Products Identification 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 respondents of all the jurisdictional facts set forth in the complaint to issue herein, 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 such 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 agree-

ment, makes the following jurisdictional findings, and enters the following order:

1. Respondents, Robert J. Freund and Antoinette Freund, are individuals and copartners trading as Royal Woolen Co., with their office and principal place of business located at 110 West 40th Street, New York 18, N.Y.

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 Robert J. Freund and Antoinette Freund individually and as copartners trading as Royal Woolen Co. or under any other trade name and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery for introduction, sale, advertising, or offering for sale, in commerce, or the transportation or causing to be transported in commerce, or the importation into the United States, of any textile fiber product; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, of any textile fiber product which has been advertised or offered for sale in commerce; or in connection with the sale, offering for sale, advertising, delivery, transportation, or causing to be transported, after shipment in commerce, of any textile fiber product, whether in its original state or 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:

A. Misbranding textile fiber products by:

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

2. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products by representing either directly or indirectly, that textile fiber products contain certain fibers only, when in truth or in fact, the textile fiber products contain other fibers in addition thereto.

3. Failing to affix labels to such textile fiber products showing each element of information required to be dis-

closed by Section 4(b) of the Textile Fiber Products Identification Act.

4. Designating fibers present in such textile fiber products in the amount of five percentum or less of the total fiber weight, by their generic names or fiber trademarks.

5. Using a fiber trademark on labels affixed to such textile fiber products without the generic name of the fiber appearing on the said label.

6. Using a generic name or fiber trademark on any label, whether required or nonrequired, without making a full and complete fiber content disclosure in accordance with the said Act and Regulations, the first time such generic name or fiber trademark appears on the label.

7. Using words, symbols, or depictions on labels attached to textile fiber products, which constitute or imply the name or designation of a fiber when such fiber is not present in the aforesaid product.

B. Furnishing false guaranties that textile fiber products are not misbranded or falsely invoiced under the provisions of the Textile Fiber Products Identification Act.

It is further ordered, That respondents Robert J. Freund and Antoinette Freund, individually and as co-partners trading as Royal Woolen Co. or under any other trade name and respondents' representatives, agents and employees directly or through any corporate or other device, in connection with the introduction into commerce, sale, transportation, distribution, delivery for shipment, shipment or offering for sale 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. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products by using on labels any guarantee which fails to set forth the terms and conditions thereof and the manner in which performance thereunder would be carried out.

3. Failing to securely affix labels to or place on each such product a stamp, tag, label, or other means of identification showing in a clear and conspicuous manner, each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

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4. Failing to use the respective common generic name of fibers when naming fibers in the required information, except where another name is required or permitted under the Act or Regulations.

5. Setting forth nonrequired information or representations on wool products or on labels or any other mark of identification of said wool products in such a way as to be false and deceptive or to interfere with the required information.

It is further 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