

IN THE MATTER OF
PRESTON WOOLEN COMPANY, INC., ET AL.

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

Docket C-585. Complaint, Sept. 12, 1963—Decision, Sept. 12, 1963

Consent order requiring associated corporate manufacturers of wool products in Norwich, Conn., to cease violating the Wool Products Labeling Act by labeling and invoicing certain fabrics falsely as to the amounts of woolen and other fibers contained therein; failing to disclose the correct amount of woolen and other fibers present in fabrics; and failing to comply in other respects with requirements of the Act.

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 Preston Woolen Company, Inc., Norwich Textile Co., Inc., corporations, and Aaron Furman, and Gershon Furman, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of the said Acts and the Rules and Regulations promulgated under 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 Preston Woolen Company, Inc., and Norwich Textile Co., Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of Connecticut.

Individual respondents Aaron Furman and Gershon Furman are officers of corporate respondents. Said individual respondents co-

operate in formulating, directing and controlling the acts, policies and practices of the corporate respondents including the acts and practices hereinafter referred to.

Respondents are manufacturers and distributors of wool products with their principal place of business located at Norwich, Connecticut.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have manufactured for introduction into commerce, 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 product" is 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 of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were certain fabrics stamped, tagged or labeled as containing designated amounts of woolen and other fibers, whereas, in truth and in fact, said fabrics contained different amounts of woolen and other fibers than represented.

PAR. 4. Certain of said wool products were further misbranded by respondents in that they were not stamped, tagged, labeled or 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 certain fabrics with labels on or affixed thereto which failed:

(1) To disclose the correct amount of woolen fibers present in the wool product.

(2) To disclose the correct amount of fibers other than woolen fibers contained in the product.

PAR. 5. Certain of said wool products were misbranded 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) Information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder was set forth in handwriting on labels, in violation of Rule 10 of said Rules and Regulations.

(b) Information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder was set forth in abbreviated form on labels in violation of Rule 10 of said Rules and Regulations.

PAR. 6. 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.

PAR. 7. Respondents in the course and conduct of their business, as aforesaid, have made statements on invoices and shipping memoranda to their customers misrepresenting the fiber content of certain of their said products.

PAR. 8. The acts and practices set out in Paragraph 7 have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials were used.

PAR. 9. The acts and practices of the respondents set out in Paragraph 7 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 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 agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondents Preston Woolen Company, Inc., and Norwich Textile Co., Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of Connecticut, with their office and principal place of business located in the city of Norwich, State of Connecticut.

Respondents Aaron Furman and Gershon Furman are officers of said corporations, and their address is the same as that of 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 Preston Woolen Company, Inc., Norwich Textile Co., Inc., corporations, and their officers and Aaron Furman, and Gershon Furman, 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 or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment in commerce, of wool fabrics or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from:

Misbranding of 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 contained therein.

2. Failing to securely affix 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.

3. Setting forth information required under Section 4(a) (2) of the Wool Products Labeling Act and the Rules and Regulations promulgated thereunder in abbreviated form on labels affixed to wool products.

4. Setting forth information required under Section 4(a) (2) of the Wool Products Labeling Act of 1939 and

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the Rules and Regulations promulgated thereunder in handwriting on labels affixed to wool products.

It is further ordered, That respondents Preston Woolen Company, Inc., Norwich Textile Co., Inc., corporations, and their officers, and Aaron Furman, and Gershon Furman, 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 offering for sale, sale or distribution of fabrics or any other textile products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting the character or amount of constituent fibers contained in fabrics or any other textile products on invoices or shipping memoranda applicable thereto or in any other manner.

It is further ordered, That each of 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 this order.
