

IN THE MATTER OF
RHODA LEE, INC., ET AL.

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

Docket C-587. Complaint, Sept. 13, 1963—Decision, Sept. 13, 1963

Consent order requiring three associated corporate manufacturers of ladies' sportswear in New York City, to cease violating the Textile Fiber Products Identification Act by failing to show plainly on labels the true generic name of the constituent fibers and the percentage thereof, and the name of the country where imported products were processed or manufactured; and by removing and mutilating, prior to sale to the ultimate consumer, the identifying tags, etc., required to be affixed to such products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act 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 Rhoda Lee, Inc., Elberton Manufacturing Company, and Rilla, Inc., corporations, and their officers, and Fred Alcott and Isidor Alcalay, individually and as officers of said corporations, and Adolf Alcalay, individually and as an officer of Rhoda Lee, Inc., 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 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 Rhoda Lee, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 525 Seventh Avenue, New York, New York.

Respondents Elberton Manufacturing Company, and Rilla, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of Georgia with their office and principal place of business located at Highway 17, Elberton, Georgia.

Respondents Fred Alcott, Isidor Alcalay, and Adolf Alcalay are officers of corporate respondent Rhoda Lee, Inc., and formulate, direct and control the acts, practices and policies of said corporate respondent.

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Respondents Fred Alcott and Isidor Alcalay are officers of corporate respondents Elberton Manufacturing Company and Rilla, Inc., and formulate, direct and control the acts, practices and policies of such corporate respondents.

The office and principal place of business of individual respondents Fred Alcott and Adolf Alcalay is the same as that of corporate respondent Rhoda Lee, Inc.

The office and principal place of business of individual respondent Isidor Alcalay is the same as that of corporate respondents Elberton Manufacturing Company and Rilla, Inc.

Respondents are manufacturers and distributors of textile fiber products including ladies' sportswear.

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, 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, textile fiber products, which have been advertised or offered for sale in commerce; 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 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 in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products which were not labeled to show in words and figures plainly legible:

- (1) The true generic names of the constituent fibers present in textile fiber products; and
- (2) The percentage of each of such fibers; and
- (3) The name of the country where imported textile fiber products were processed or manufactured.

PAR. 4. After certain textile fiber products were shipped in commerce, respondents have removed and mutilated, and have caused

and participated in the removal and mutilation of, the stamp, tag, label or other identification required by the Textile Fiber Products Identification Act to be affixed to such products, prior to the time such textile fiber products were sold and delivered to the ultimate consumer, in violation of Section 5(a) of said Act.

PAR. 5. 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 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 Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act; 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 aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by the respondents that the law has been violated as alleged in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having reason to believe that the respondents have violated the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and having determined that complaint should issue stating its charges in those respects, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Rhoda Lee, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its office and principal place of business located at 525 Seventh Avenue, New York, New York.

Respondents Elberton Manufacturing Company and Rilla, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of Georgia with their office and

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principal place of business located at Highway 17, Elberton, Georgia.

Respondents Fred Alcott, Isidor Alcalay and Adolf Alcalay are officers of Rhoda Lee, Inc.

Respondents Fred Alcott and Isidor Alcalay are officers of Elberton Manufacturing Company and of Rilla, Inc.

The office and principal place of business of respondents Fred Alcott and Adolf Alcalay is the same as that of respondent Rhoda Lee, Inc.

The office and principal place of business of respondent Isidor Alcalay is the same as that of respondents Elberton Manufacturing Company and Rilla, Inc.

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 Rhoda Lee, Inc., Elberton Manufacturing Company, and Rilla, Inc., corporations, and their officers, and Fred Alcott and Isidor Alcalay, individually and as officers of said corporations, and Adolf Alcalay, individually and as an officer of Rhoda Lee, Inc., 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 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 misbranding textile fiber products by failing to affix labels to such products showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

It is further ordered, That respondents Rhoda Lee, Inc., Elberton Manufacturing Company, and Rilla, Inc., corporations, and their officers, and Fred Alcott and Isidor Alcalay, individually and as

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officers of said corporations, and Adolf Alcalay, individually and as an officer of Rhoda Lee, Inc., and respondents' agents, representatives and employees, directly or through any corporate or other device, do forthwith cease and desist from removing or mutilating, or causing or participating in the removal or mutilation of, the stamp, tag, label, or other identification required by the Textile Fiber Products Identification Act to be affixed to any textile fiber product, after such textile fiber product has been shipped in commerce and prior to the time such textile fiber product is sold and delivered to the ultimate consumer.

It is further ordered That each of the respondents herein shall