

Complaint

64 F.T.C.

IN THE MATTER OF

CHORI NEW YORK, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACT

Docket C-682. Complaint, Jan. 21, 1964--Decision, Jan. 21, 1964

Consent order requiring New York City importers to cease violating the Flammable Fabrics Act by importing and distributing in commerce fabrics which were so highly flammable as to be dangerous when worn.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Chori New York, Inc., a corporation, and Shosuke Tanikaga, Kunio Misaki and Akira Utsumi, individually and as officers of the said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts, and the Rules and Regulations promulgated under the Flammable Fabrics 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 Chori New York, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents Shosuke Tanikaga, Kunio Misaki and Akira Utsumi, are president, secretary and treasurer, respectively of Chori New York, Inc., the corporate respondent. The individual respondents together with the Board of Directors of said corporation, participate in the formulation, direction and control of the acts, practices and policies of said corporation. All respondents have their offices and principal place of business located at 350 Fifth Avenue, New York 1, New York.

The respondents are engaged in the importation into the United States and in the sale and distribution of such imported fabrics.

PAR. 2. Respondents, subsequent to July 1, 1954, the effective date of the Flammable Fabrics Act, have sold and offered for sale, in commerce; have imported into the United States; and have introduced, delivered for introduction, transported, and caused to be transported, in commerce; and have transported and caused to be transported for the purpose of sale or delivery after sale, in commerce; as "commerce" is defined in the Flammable Fabrics Act,

fabric, as that term is defined therein, which fabric was, under Section 4 of the Flammable Fabrics Act, as amended, so highly flammable as to be dangerous when worn by individuals.

PAR. 3. The aforesaid acts and practices of respondents were and are in violation of the Flammable Fabrics Act and the Rules and Regulations promulgated thereunder, and as such constitutes unfair methods of competition and unfair and deceptive acts and practices 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 Flammable Fabrics Act 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. Respondent Chori New York, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Respondents Shosuke Tanikaga, Kunio Misiaki and Akira Utsumi, are president, secretary and treasurer, respectively of Chori New York, Inc., the corporate respondent. The individual respondents together with the Board of Directors of said corporation, participate in the formulation, direction and control of the acts, practices and policies of said corporation. All respondents have their offices and principal place of business located at 350 Fifth Avenue, New York 1, New York.

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

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ORDER

I. *It is ordered*, That the respondent Chori New York, Inc., a corporation, and its officers, and respondents, Shosuke Tanikaga, Kunio Misaki and Akira Utsumi, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from:

- (a) Importing into the United States; or
- (b) Selling, offering for sale, introducing, delivering for introduction, transporting, or causing to be transported in commerce, as "commerce" is defined in the Flammable Fabrics Act; or
- (c) Transporting or causing to be transported, for the purpose of sale or delivery after sale in commerce, any fabric which, under the provisions of Section 4 of the said Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.

Provided, however, That nothing contained herein shall affect any rights afforded to the respondents by Section 11 of the Flammable Fabrics Act.

II. *It is further ordered*, That respondents hereinbefore named furnish to the Federal Trade Commission within 5 days after service of this order a special report which:

- (a) Contains a list of the names and addresses of all of the corporate respondents' customers to whom shipments were made, since July 1, 1963, of fabric Style AK 7331 and/or of any other fabric which under the provisions of Section 4 of the said Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.
- (b) Shows that respondents have notified in writing the customers of the corporate respondent to whom any of the shipments referred to in subparagraph (a) above were made, as to the questionable flammable nature of the fabrics contained in such shipments.
- (c) Contains copies of the aforesaid notification to each of the customers referred to in subparagraph (a) and copies of any and all responses to the aforesaid notification.

III. *It is further ordered*, That respondents, hereinbefore named, shall forward to the Commission, within two (2) days after receipt thereof, copies of any and all responses to the notification required by Subparagraph (c) of Paragraph II above which are received by respondents after the due date of the aforesaid special report.

IV. *It is further ordered*, That the respondents, hereinbefore named, shall, within five (5) 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 Paragraph I of this order.
