

representations are based. 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 form in which they have complied with this order.

IN THE MATTER OF
REPUBLIC NOVELTY CO., 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-825. Complaint, Sept. 8, 1964—Decision, Sept. 8, 1964

Consent order requiring three associated retailers of ladies' garments with stores in New York City and Los Angeles to cease misbranding and falsely invoicing their wool products.

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 Republic Novelty Co., Inc., Cellini Imports, Inc., New York corporations, and Republic Novelty Co., Inc., a California corporation, and Herman Katz and Samuel R. Cohen, individually and as officers of said corporations, hereinafter referred to as respondents, have violated the provisions of 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 Republic Novelty Co., Inc., and Cellini Imports, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York with their

principal place of business located at 39 West 37th Street, New York, New York. Respondent Republic Novelty Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its principal place of business located at 1200 South San Pedro Street, Los Angeles, California. Individual respondents, Herman Katz and Samuel R. Cohen are officers of the corporate respondents. Said individual respondents cooperate in formulating, directing and controlling the acts, policies and practices of the corporate respondents including the acts and practices hereinafter referred to. The addresses of the individual respondents are the same as that of Republic Novelty Co., Inc., and Cellini Imports, Inc., 39 West 37th Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since 1963, 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 the said Act.

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, but not limited thereto, were ladies' slacks labeled or tagged by respondents as "Ladies' Wool Slack," thereby representing that such products were composed entirely of wool, whereas, in truth and in fact, said products contained substantially different fibers and quantity of fibers from that shown on the labels.

PAR. 4. 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) Non-required information and representations used on the said products and on the labels affixed thereto were false, deceptive and misleading as to the fiber content of said products and were set forth, and used in such a manner as to interfere with the required information, in violation of Rule 10(b) of the aforesaid Rules and Regulations.

(b) The required stamp, tag, label or mark of identification was so placed on said wool products as likely to be unnoticed or unseen by purchasers and purchaser-consumers when said wool products were offered or displayed for sale or sold to purchasers or the consuming public, in violation of Rule 11 of said Act.

PAR. 5. 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. 6. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale and distribution of wool products, namely, ladies' slacks to retailers and chain stores located throughout the United States. The respondents maintain, and at all times mentioned herein, have maintained a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Respondents in the course and conduct of their business as aforesaid have made statements on their invoices and shipping memoranda to their customers misrepresenting the character and amount of the constituent fibers present in such products.

Among such misrepresentations, but not limited thereto, were statements representing certain ladies' slacks to be "Wool Capris" and "Solid Wool Capris," thereby representing that such wool products were composed entirely of wool, whereas, in truth and in fact, the said wool products contained substantially different fibers and quantities of fibers than were represented.

PAR. 8. The acts and practices of the respondents set out in Paragraph Seven were, and are, all to the prejudice and injury of the public and constituted and now constitute 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 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 Republic Novelty Co., Inc., and Cellini Imports, Inc., are corporations organized, existing and doing business under and by virtue of the laws of the State of New York with their principal place of business located at 39 West 37th Street, New York, New York.

Respondent Republic Novelty Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its principal place of business located at 1200 South San Pedro Street, Los Angeles, California.

Respondents, Herman Katz and Samuel R. Cohen are officers of all of the above corporations. The addresses of the individual respondents are the same as that of Republic Novelty Co., Inc., and Cellini Imports, Inc., 39 West 37th Street, New York, 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

It is ordered, That respondents Republic Novelty Co., Inc., Cellini Imports, Inc., New York corporations, and Republic Novelty Co., Inc., a California corporation, and their officers and Herman Katz and Samuel R. Cohen, individually and as officers of said corporations, 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, delivery for shipment, shipment, or distribution in commerce, of ladies' slacks 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 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. Using non-required information and representations on wool products or on labels affixed thereto in such a manner

as to be false, deceptive or misleading as to the fiber content of the wool products or so as to interfere with the information required by the said Act and the Rules and Regulations promulgated thereunder.

3. Affixing or placing the stamp, tag, label or mark of identification required under the said Act or the information required by said Act and the Rules and Regulations promulgated thereunder on wool products in such a manner as to be minimized, rendered obscure or inconspicuous or so as to be unnoticed or unseen by purchasers and purchaser-consumers, when said wool products are offered or displayed for sale or sold to purchasers or the consuming public.

It is further ordered, That respondents Republic Novelty Co., Inc., Cellini Imports, Inc., New York corporations, and Republic Novelty Co., Inc., a California corporation, and their officers and Herman Katz and Samuel R. Cohen, individually and as officers of said corporations, 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 or distribution of ladies' slacks or other 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 such products on invoices or shipping memoranda applicable thereto, or in any other manner.

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 form in which they have complied with this order.

IN THE MATTER OF

THE CLINTON WATCH COMPANY ET AL.

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