

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

Docket C-850. Complaint, Oct. 14, 1964—Decision, Oct. 14, 1964

Consent order requiring a Minneapolis, Minn., manufacturer of interlining materials to cease misbranding, falsely guaranteeing and deceptively invoicing its wool products.

Complaint

66 F.T.C.

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 Modern Quilters, Inc., a corporation and Abraham Sikora individually and as an officer of said corporation, 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. Respondent Modern Quilters, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota with its principal place of business located at 58 Glenwood Avenue, Minneapolis, Minnesota. Individual respondent Abraham Sikora is an officer of said corporation. He formulates, directs and controls the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter referred to. The address of said individual respondent is the same as that of the corporate respondent. Respondents are engaged in the manufacture and distribution of interlining materials.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 respondents have introduced, manufactured for introduction, 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. 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 included therein.

Among such misbranded wool products, but not limited thereto, were certain quilted interlining materials labeled or tagged by respondents as "Reprocessed 70%, 30%," which labels or tags, in light of accompanying documents implied that the product contained 70% Reprocessed Wool fibers and 30% Non-woolen fibers, whereas in truth and in fact said products contained substantially different amounts of 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 prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain quilted interlining materials with labels on or affixed thereto, which failed to disclose:

The percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 per centum of said total fiber weight of, (1) woolen fibers; (2) each fiber other than wool if said percentage by weight of such fibers is per centum or more; (3) the aggregate of all other fibers.

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 that words constituting the name or designation of a fiber which was not present in the wool product appeared in or as a part of the listing or marking of required fiber content on the stamp, tag, label, or other mark of identification affixed to the wool products, in violation of Rule 25 of the said Rules and Regulations.

PAR. 6. The respondents furnished false guaranties that certain of their said wool products were not misbranded, when respondents in furnishing such guaranties had reason to believe that the wool products so falsely guaranteed might be introduced, sold, transported, or distributed in commerce, in violation of Section 9(b) of the Wool Products Labeling Act of 1939.

PAR. 7. The acts and practices of 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 or deceptive acts and practices and unfair methods of competition, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 8. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale and distribution of products, namely quilted interlining materials to garment manufacturers. The respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade of said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 9. 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 quilted interlining material to be "70% Reprocessed Wool, 30% Acetate," whereas in truth and in fact, the said product contained substantially different fibers and quantities of fibers than were represented.

PAR. 10. The acts and practices set out above have had, and now have, the tendency and capacity to mislead and deceive purchasers of said products as to the true content thereof and to cause them to misbrand products manufactured by them in which said materials are used.

PAR. 11. The acts and practices of the respondents set out above 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. Respondent Modern Quilters, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota with its principal place of business located at 58 Glenwood Avenue, Minneapolis, Minnesota.

Respondent Abraham Sikora is an officer of the above named corporation and his address is the same as that of said corporation.

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 Modern Quilters, Inc., a corporation and its officers, and Abraham Sikora, individually and as an officer of said corporation, 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 or shipment in commerce, of woolen quilted interlining materials 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 included 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 as a part of the listing or marking of required fiber content on the stamp, tag, label or other mark of identification affixed to a wool product words which constitute the named or designation of a fiber which is not present in the wool product.

It is further ordered, That respondents Modern Quilters, Inc., a corporation and its officers, and Abraham Sikora, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device do forthwith cease and desist from furnishing a false guaranty that any wool product is not misbranded under the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder when there is reason to believe that any wool product so guaranteed may be introduced, sold, transported or distributed in commerce as the term "commerce" is defined in the aforesaid Act.

It is further ordered, That respondents Modern Quilters, Inc., a corporation and its officers, and Abraham Sikora, individually and as an officer of said corporation, and respondents' representatives,

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agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of quilted interlining materials 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.