

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

Docket C-858. Complaint, Nov. 16, 1964—Decision, Nov. 16, 1964

Consent order requiring Chicago distributors of drapery, and furniture and wall fabrics, to cease misbranding and falsely advertising their textile fiber products.

Complaint

66 F.T.C.

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 Saul S. Siegal Co., a corporation, and Saul S. Siegal, Leon Siegal and Morris Siegal, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of the 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 Saul S. Siegal Co. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Illinois, with its principal place of business at 847 West Jackson Boulevard, Chicago, Illinois.

Individual respondents Saul S. Siegal, Leon Siegal and Morris Siegal are officers of the corporate respondent, and each cooperates in the formulation, direction, and control of the acts, practices, and policies of the corporate respondent. Their address is the same as the corporate respondent.

The corporate respondent and the individual respondents are now, and have been for a considerable period, engaged in the sale and distribution of drapery, furniture and wall fabrics.

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, 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 within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regula-

tions promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the name of constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products which were falsely and deceptively advertised by means of catalogues distributed by respondents throughout the United States, in the following respects:

Certain of said advertisements contained terms which represented, either directly or by implication, certain fibers as present in said product when such was not the case.

Among such terms, but not limited thereto, were the terms "hand print on Mohair," "Modern print on mohair antique satin," "Linen-Cotton-Acetate and Silk Noil face casement," "Linen casement with metallic," and "Metallic Boucle."

PAR. 4. Certain of said textile fiber products were misbranded by respondents in that they were not stamped, tagged, labeled or otherwise identified with the information required under 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 name of the fiber present; and
2. The percentage of such fibers; and
3. The name, or other identification issued and registered by the Commission of the manufacturer of the product or one or more persons subject to Section 3 of the said Act, with respect to such product.

PAR. 5. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in catalogues used to aid, promote, and assist directly or indirectly in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified by Section 4(c) 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 textile fiber products, but not limited thereto, were textile fiber products falsely and deceptively advertised by means of advertisements in said catalogues, in that such advertisements contained representations and implications of fiber content by means of the use of such terms, among others but not limited thereto, as "Chromespun," "Dacron," "Fortisan," and "Sateens," which advertisements:

- (1) Failed to set forth the true generic name of fibers present in amounts of more than five percent;
- (2) Failed to list fibers present in order of predominance by weight;
- (3) Designated fibers present in amounts of five percent or less by their generic name or fiber trademark.

PAR. 6. Certain of said textile fiber products were falsely and deceptively advertised in violation of the Textile Fiber Products Identification Act in that they were not advertised in accordance with the Rules and Regulations promulgated thereunder.

Among such textile fiber products, but not limited thereto, were textile fiber products which were falsely and deceptively advertised, by means of catalogues, in the following respects:

A. A fiber trademark was used in advertising textile fiber products without a full disclosure of the fiber content information required by the said Act and the Rules and Regulations thereunder in at least one instance in said advertisement, in violation of Rule 41(a) of the aforesaid Rules and Regulations.

B. A fiber trademark was used in advertising textile fiber products containing more than one fiber and such fiber trademark did not appear in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness, in violation of Rule 41(b) of the aforesaid Rules and Regulations.

C. A fiber trademark was used in advertising textile fiber products containing only one fiber and such fiber trademark did not appear, at least once in the said advertisement, in immediate proximity and conjunction with the generic name of the fiber, in plainly legible and conspicuous type, in violation of Rule 41(c) of the aforesaid Rules and Regulations.

D. The generic name of a fiber was used in non-required information in advertising textile fiber products, in such a manner as to be false, deceptive and misleading as to fiber content and to indicate, directly or indirectly that such textile fiber product was composed wholly or in part of such fiber when such was not the case, in violation of Rule 41(d) of the aforesaid Rules and Regulations.

Among such products, but not limited thereto, were textile fiber products, advertised as "hand print on mohair," "modern print on mohair antique satin," "Linen-Cotton-Acetate and Silk Noil face casement," "Linen casement with metallic," and "Metallic Boucle," thus implying that such products were composed wholly or in part

of mohair, linen, cotton or metallic fibers, when in fact the products contained no such fibers.

E. Non-required information and representations used in advertising textile fiber products were false, deceptive and misleading as to the fiber content of the textile fiber product and were set forth and used so as to interfere with, minimize and detract from the required information in violation of Rule 42(b) of the aforesaid Rules and Regulations.

PAR. 7. The acts and practices of the 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 methods of competition and unfair and deceptive acts or practices, in commerce, under 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 Textile Fiber Products Identification 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 Saul S. Siegal Co. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its office and principal place of business located at 847 West Jackson Boulevard, in the city of Chicago, State of Illinois.

Respondents Saul S. Siegal, Leon Siegal and Morris Siegal are

officers of said corporation, and their 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 Saul S. Siegal Co., a corporation, and its officers, and Saul S. Siegal, Leon Siegal and Morris Siegal, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, delivery 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:

A. Misbranding textile fiber products by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products as to the name or amount of constituent fibers contained therein.

2. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising or otherwise identifying such products by representing either directly or by implication, through the use of such terms as "hand print mohair," "modern print on mohair antique satin," "Linen-Cotton-Acetate and Silk Noil face casement," "Linen casement with metallic," or "Metallic Boucle" or any other terms, that any fibers are present in a textile fiber product when such is not the case.

3. 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.

B. Falsely and deceptively advertising textile fiber products by:

1. Making any representations, by disclosure or by implication, as to the fiber contents or any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label or other means of identification under Section 4(b) (1) and (2) of the Textile Fiber Products Identification Act is contained in the said advertisement, in the manner and form required except that the percentages of the fibers present in the textile fiber product need not be stated.

2. Using a fiber trademark in advertisements without a full disclosure of the required content information in at least one instance in the said advertisement.

3. Using a fiber trademark in advertising textile fiber products containing more than one fiber without such fiber trademark appearing in the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

4. Using a fiber trademark in advertising textile fiber products containing only one fiber without such fiber trademark appearing at least once in the advertisement, in immediate proximity and conjunction with the generic name of the fiber, in plainly legible and conspicuous type.

5. Using a generic name of a fiber in non-required information in advertising textile fiber products in such a manner as to be false, deceptive or misleading as to fiber content or to indicate, directly or indirectly, that such textile fiber products are composed wholly or in part of such fiber when such is not the case.

6. Using non-required information and representations in said advertising in such a manner as to be false, deceptive or misleading as to the fiber content of the textile fiber products or so as to interfere with, minimize or detract from required information.

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.

Complaint

66 F.T.C.

IN THE MATTER OF

McKESSON & ROBBINS, INC. AND DRUGGISTS' SERVICE
COUNCIL, INC., ET AL.ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION ACT*Docket 8510 and 8511. Complaints, June 19, 1962—Decision, Nov. 17, 1964*

Order withdrawing two complaints charging a drug manufacturer and an association of drug wholesalers with inducing discriminatory promotional allowances, but reserving the right to issue new complaints if warranted.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the respondent, McKesson & Robbins, Inc., has violated and is now violating the provisions of Section 5 of the Federal Trade Commission Act (15 U.S.C., Title 15, Sec. 45), and it appearing to the Commission that a proceeding by it in respect thereof would be in the interest of the public, issues its complaint charging as follows:

PARAGRAPH 1. Respondent McKesson & Robbins, Inc., hereinafter referred to as McKesson & Robbins, is a corporation organized, existing and doing business under the laws of the State of Maryland. Its executive office and principal place of business is at 155 East 44th Street, New York, New York.

PAR. 2. McKesson & Robbins manufactures a line of drug products distributed under its own name. It also purchases and distributes wholesale, and has done so for many years past, the products of other manufacturers in drug, cosmetic and sundry lines (hereafter referred to as drug products). It is by far the largest drug wholesaler in the United States. Gross sales volume of McKesson & Robbins in all departments in the fiscal year ending March 31, 1959, was \$613,986,000. Sales volume of the Drug Department was \$403,000,000 for the same period (limited to wholesale of products of other manufacturers, and not including goods returned).

PAR. 3. Products distributed through the Drug Department of McKesson & Robbins are sold through 85 Wholesale Divisions throughout the United States to retail drug stores and other retail establishments throughout the United States. Said wholesale divisions are not separately incorporated but are an integral part of the corporate organization of McKesson & Robbins.