

and form in which they have complied with this order.

IN THE MATTER OF
MILTON KRAMER TRADING AS GOODWEAR
HAT MFG. COMPANY

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

Docket C-990. Complaint, Sept. 10, 1965—Decision, Sept. 10, 1965

Consent order requiring a firm in Atlanta, Ga., engaged in manufacturing men's hats from reconditioned or made-over hat bodies which have been previously used or worn, to cease selling such hats unless they are stamped "second-hand," "worn," "used," or "made-over."

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 Milton Kramer, an individual trading as Goodwear Hat Mfg. Company, hereinafter referred to as respondent, has violated the provisions of said 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:

Complaint

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PARAGRAPH 1. Respondent Milton Kramer is an individual trading as Goodwear Hat Mfg. Company with his principal office and place of business located at 84½ Pryor Street, S.W., Atlanta, Georgia.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the manufacture of men's hats from reconditioned or made over hat bodies which have been previously used or worn, and in the offering for sale, sale and distribution of said hats to wholesalers, jobbers and retailers for resale to the public.

PAR. 3. In the course and conduct of his business, respondent causes, and for some time last past has caused, his products, when sold, to be shipped from his place of business in the State of Georgia to purchasers thereof located in various other States of the United States, and maintains, and at all times mentioned herein has maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the conduct of his business and at all times mentioned herein, respondent has been in substantial competition in commerce, with corporations, firms and individuals in the sale of products of the same general kind and nature as those sold by respondent and with manufacturers, jobbers and retailers of new men's hats.

PAR. 5. In the course and conduct of his business, respondent reconditions or makes over men's hats, using in the process, hat bodies which have been previously used or worn.

Respondent does not disclose on such hats or in any other manner that the hats are previously used or worn hats which have been reconditioned or made over.

When previously used or worn hats are reconditioned or made over, in the absence of any disclosure to the contrary, or in the absence of an adequate disclosure, such hats are understood to be and are readily accepted by the public as new hats, a fact of which the Commission takes official notice.

PAR. 6. By failing to disclose the facts as set forth in Paragraph Five, respondent places in the hands of others the means and instrumentalities whereby they may mislead and deceive the public as to the nature and construction of said hats.

PAR. 7. Respondent's failure to mark or label said hats so as to disclose that said hats are made from reconditioned or made over hat bodies that have been previously used or worn has had, and now has, the capacity and tendency to lead the purchasing public into the erroneous and mistaken belief that respondent's hats are

manufactured entirely from new and unused materials and into the purchase of substantial quantities of said hats by reason of said erroneous and mistaken belief.

PAR. 8. The aforesaid acts and practices of the respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Deceptive Practices proposed to present to the Commission for its consideration and which, if issued by the Commission would charge respondent with violation of the Federal Trade Commission Act; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent 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 respondent 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 respondent has violated the Federal Trade Commission Act, and having determined that complaint should issue stating its charges in that respect, hereby issues its complaint, accepts said agreement, makes the following jurisdictional findings and enters the following order:

1. Respondent Milton Kramer is an individual trading as Goodwear Hat Mfg. Company, with its office and principal place of business located at 84½ Pryor Street, S.W., Atlanta, Georgia.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent and the proceeding is in the public interest.

ORDER

It is ordered, That respondent, Milton Kramer, an individual, trading as Goodwear Hat Mfg. Company, or under any other name or names, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection

Order

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with the offering for sale, sale or distribution of hats in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing discarded, secondhand or previously used hats that have been rebuilt, reconstructed, reconditioned or otherwise made over, or hats that are composed in whole or in part of materials which have previously been worn or used, unless a statement that said hats are composed of second hand, worn or used materials (e.g. "second-hand," "worn," "used," or "made-over") is stamped in some conspicuous place on the exposed surface of the inside of the hat in clearly legible terms which cannot be obliterated without mutilating the hat itself: *Provided*, That if sweat bands or bands similar thereto are attached to said hats, that such statement may be stamped upon the exposed surface of such bands: *Providing*, That said stampings be of such a nature that it cannot be removed or obliterated without mutilating the band and the band itself cannot be removed without rendering the hat unserviceable.

2. Placing in the hands of others the means and instrumentalities by and through which they may mislead and deceive the public into believing that respondent's hats are made entirely of new materials.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon him of this order, file with the Commission a report in writing setting forth in detail the manner and form in which he has complied with this order.

IN THE MATTER OF
A. & M. KARAGHEUSIAN, INC.

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