

Complaint

68 F.T.C.

IN THE MATTER OF
CONGRESS TEXTILE PRINTERS, INC., ET AL.

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

Docket C-1021. Complaint, Dec. 8, 1965—Decision, Dec. 8, 1965

Consent order requiring a New Jersey textile processor to cease using lacquer or other highly flammable substances in processing its net fabrics or textile articles unless clear disclosure is made that such articles are dangerously flammable and unsafe for ordinary use.

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 Congress Textile Printers, Inc., a corporation, and Peter B. Levy and Abraham H. Levy, individually and as officers of said corporation, hereinafter referred to as respondents, have 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:

PARAGRAPH 1. Respondent Congress Textile Printers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business at 179 Goffle Road, in the city of Hawthorne, State of New Jersey.

Respondents Peter B. Levy and Abraham H. Levy are officers of the corporate respondent and formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth. Their office and principal place of business is the same as that of the aforesaid corporate respondent.

PAR. 2. Respondents are now, and for some time last past, have been engaged in the printing and processing of textile fabrics for customers and principals who ship or deliver such textile fabrics in commerce to respondents for such purposes. The aforesaid textile fabrics, when printed or processed by respondents are shipped or delivered from respondents' place of business in the State of New Jersey to respondents' customers or principals or other concerns located in various other States of the United States. Respondents maintain, and at all times mentioned, have maintained, a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

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Decision and Order

PAR. 3. Respondents in printing or processing net fabrics as aforesaid have used and employed lacquers and other materials or substances which are composed of or contain highly flammable materials, including nitrocellulose. Such materials when used in the printing or processing of net fabrics render the said fabrics dangerously flammable and unsafe for ordinary use. At no time do respondents reveal on the aforesaid fabrics or on labels or tags affixed thereto or in any other manner, that such fabrics are dangerously flammable and unsafe for ordinary use.

PAR. 4. The failure of respondents to reveal that said fabrics are dangerously flammable and unsafe for ordinary use has had, and now has, the tendency and capacity to mislead and deceive respondents' customers or principals and purchasers and prospective purchasers of said fabrics into the false and erroneous belief that said fabrics are safe and suitable for all ordinary uses. Respondents' failure to disclose that the said fabrics are dangerously flammable and unsafe for ordinary use is, therefore, to the prejudice of respondents' customers or principals and the purchasing public.

PAR. 5. The aforesaid acts and practices of respondents as herein alleged were and are all to the prejudice and injury to the public and 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 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 Congress Textile Printers, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey with its office and principal place of business located at 179 Goffle Road, in the city of Hawthorne, State of New Jersey.

Respondent Peter B. Levy and Abraham H. Levy are officers of the corporate respondent and their address is the same as that of said corporate respondent.

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 Congress Textile Printers, Inc., a corporation, and its officers, and Peter B. Levy and Abraham H. Levy, 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 printing or processing of net fabrics or textile articles of a similar construction in commerce or in connection with the sale, offering for sale, shipment, distribution, transportation or causing to be transported of net fabrics or textile articles of a similar construction, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from using or employing finishes, lacquers, processing materials or substances of any nature whatsoever which are composed of or contain nitrocellulose or any dangerously flammable material or substance in connection with the printing or processing of such net fabrics or textile articles of a similar construction unless respondents clearly and conspicuously disclose on the fabrics or other textile articles or on labels or tags attached thereto and on all invoices, shipping memoranda and other documents relating to the shipment or delivery of such products that such substances or materials render the fabrics or other textile articles dangerously flammable and unsafe for ordinary use: *Provided, however*, That it shall be a defense in any enforcement proceeding instituted hereunder for respondents to establish that such materials or substances, after application to such net fabrics or textile articles of a similar construction, are self extinguishing and will not spread flame after removal of an igniting source.

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.

Opinion

IN THE MATTER OF
BEATRICE FOODS CO.

ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7
OF THE CLAYTON ACT AND THE FEDERAL TRADE COMMISSION ACT

*Docket 6653. Complaint, Oct. 16, 1956—Decision, Dec. 10, 1965***

Order directing Beatrice Foods Co. of Chicago, Ill., to sell as going concerns, to purchasers approved by the Federal Trade Commission, four dairy companies it has acquired since 1953, and prohibits respondent from acquiring any domestic manufacturer, processor, distributor or seller of fluid milk, ice cream or frozen dessert within the next 10 years without prior Federal Trade Commission approval.

OPINION ACCOMPANYING FINAL ORDER

By the Commission:

On April 26, 1965 [67 F.T.C. 473], the Commission determined that respondents' acquisitions of Creameries of America, Inc., Greenbrier Dairy Products Company, Durham Dairy Products, Inc., Community Creamery, and Dahl-Cro-Ma, Ltd.,¹ were unlawful under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18). However, the Commission deferred entry of a final order pending receipt of the parties' views on the form and content of an appropriate order. Those views have been received and the Commission is now ready to formulate a final order that will provide effective and equitable relief against the adverse consequences of respondents' unlawful conduct.

In formulating relief, the Commission has considered the public interest in the restoration and maintenance of competition in the dairy industry, and in the markets directly affected by the illegal acquisitions, the need to harmonize, insofar as the facts permit and the public interest requires, the order entered against respondent with those which have already become effective against other leading dairy firms, and the practical problems and difficulties which might be involved in using the remedy of divestiture to restore and maintain competition.

The Commission has concluded, first, that to provide effective relief, divestiture of the assets acquired from Creameries of America, Inc., Durham Dairy Products, Inc., Greenbrier Dairy Products Company, and Community Creamery is essential. Divestiture is the normal, and usually the most appropriate, remedy

* The name of the respondent is incorrectly stated in the complaint as Beatrice Foods Company, see the initial decision, 67 F.T.C. 473, 486.

** Modified June 7, 1967, 71 F.T.C. 797.

¹ The assets of Dahl-Cro-Ma, Ltd., were destroyed by a tidal wave subsequent to their acquisition.