
IN THE MATTER OF
SPINNERIN YARN CO., INC.

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

Docket C-1047. Complaint, March 3, 1966—Decision, March 3, 1966

Consent order requiring a New Jersey importer and wholesaler to cease mis-
branding and falsely invoicing its wool yarns and other wool products,
and furnishing false guaranties that it had a Continuing Guaranty on

Complaint

69 F.T.C.

file with the Commission and said products were properly labeled and not misbranded.

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 Spinnerin Yarn Co., Inc., a corporation, hereinafter referred to as respondent has violated the provisions of the 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 Spinnerin Yarn Co., Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey.

Respondent corporation is an importer and wholesaler of wool products with its office and principal place of business located at 30 Wesley Street, South Hackensack, New Jersey.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondent has introduced into commerce, sold, transported, distributed, delivered for shipment and offered for sale in commerce, as "commerce" is defined in said Act, wool products as "wool product" is defined therein.

PAR. 3. Certain of said wool products were misbranded within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled or otherwise identified with respect to the character and amount of the constituent fibers contained therein.

Among such misbranded wool products, but not limited thereto, were certain yarns stamped, tagged or labeled as containing "Mohair and wool," whereas, in truth and in fact, said yarns contained a substantial amount of non-woolen fibers.

PAR. 4. Certain of said wool products were further misbranded within the intent and meaning of Section 4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder in that they were falsely and deceptively stamped, tagged, labeled, or otherwise identified with respect to the country of origin of said wool products.

Among such further misbranded wool products, but not limited

thereto, were yarns stamped, tagged, or labeled as being "Inspired in Switzerland," thereby implying that the yarns were manufactured or imported from Switzerland, whereas, in truth and in fact, said yarns were manufactured in the United States and purchased by respondent from said domestic manufacturer.

PAR. 5. Certain of said wool products were further misbranded 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 as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded wool products, but not limited thereto, were certain yarns 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 fiber is 5 per centum or more; and (3) the aggregate of all other fibers.

PAR. 6. 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 information required under Section 4(a) (2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations described portions of the fiber content as "Retractable," "Orlon" and also as "viscose" instead of using the common generic names of said fibers, in violation of Rule 8 of the aforesaid Rules and Regulations.

PAR. 7. Respondent furnished false guaranties that certain of its wool products were not falsely or deceptively stamped, tagged, labeled, or otherwise identified when respondent in furnishing such guaranties had reason to believe that wool products so falsely guaranteed would be introduced, sold, transported or distributed in commerce, in violation of Section 9(b) of the Wool Products Labeling Act of 1939.

Respondent furnished false guaranties that certain of its wool products were not falsely or deceptively stamped, tagged, labeled, or otherwise identified in that it had filed with the Federal Trade Commission a Continuing Guaranty that such wool products are not falsely or deceptively stamped, tagged, labeled, or otherwise identified and also in that respondent's invoices relating to falsely or deceptively stamped, tagged or labeled wool products set forth a separate guaranty that wool products listed on such invoices are

properly labeled under the provisions of the Wool Products Labeling Act of 1939 and are not misbranded.

PAR. 8. The acts and practices of the respondent 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. 9. In the course and conduct of its business, respondent now causes and for some time last past, has caused its said products, when sold, to be shipped from its place of business in the State of New Jersey to purchasers located in various other States of the United States, and maintained a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 10. Respondent in the course and conduct of its business, as aforesaid, has made statements on invoices and shipping memoranda to its customers misrepresenting the fiber content of certain of its said products.

Among such misrepresentations, but not limited thereto, were statements representing the fiber content thereof as "Mohair" whereas, in truth and in fact, said yarns contained substantially different fibers and amounts of fibers than represented.

PAR. 11. The acts and practices set out in Paragraph Ten have had and now have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof and to cause them to misbrand products sold by them in which said materials were used.

PAR. 12. The aforesaid acts and practices of 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 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 respondent named in the caption hereof with violation of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, and the respondent 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 respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondent 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 respondent 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 Spinnerin Yarn Co., 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 30 Wesley Street, South Hackensack, New Jersey.

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 Spinnerin Yarn Co., Inc., a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from introducing into commerce, or offering for sale, selling, transporting, distributing or delivering for shipment in commerce wool yarn or any other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939:

1. Which are falsely and deceptively stamped, tagged, labeled or otherwise identified as to the character or amount of the constituent fibers contained therein.

2. Which are falsely or deceptively stamped, tagged, labeled, or otherwise identified, either directly or by implication, as to the country of origin.

3. Unless each such product has securely affixed thereto or placed thereon a stamp, tag, label or other means of identification;

(a) Correctly 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;

(b) Setting forth the common generic name of fibers in the required information on labels, tags or other means of identification attached to wool products.

It is further ordered, That respondent Spinnerin Yarn Co., Inc., a corporation, and its officers, and respondent's 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 falsely or deceptively stamped, tagged, labeled, or otherwise identified when respondent has reason to believe that such wool product may be introduced, sold, transported or distributed in commerce.

It is further ordered, That respondent Spinnerin Yarn Co., Inc., a corporation, and its officers, and respondent's representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of yarn or any other textile 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 yarn or any other textile products on invoices or shipping memoranda applicable thereto or in any other manner.

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