

Complaint

IN THE MATTER OF

M. LEVINSON & SONS, INC., ET AL.

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

Docket C-1051. Complaint, March 18, 1966—Decision, March 18, 1966

Consent order requiring a New York City manufacturer of women's hats to cease selling hats containing foreign-made fur or wool felt bodies without conspicuously disclosing the country of origin of the bodies.

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 M. Levinson & Sons, Inc., a corporation, Harold Levinson and Benjamin Rosenthal, 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 M. Levinson & Sons, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York with its principal office and place of business located at 596 Broadway, New York, New York.

Respondents Harold Levinson and Benjamin Rosenthal are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the corporate respondent, including the acts, practices and policies hereinafter set forth. Their address is the same as that of corporate respondent.

PAR. 2. Respondents are now, and for the past two years have been, engaged in the manufacturing, offering for sale, sale and distribution of women's hats, to wholesalers and retailers for resale to the public.

PAR. 3. In the course and conduct of their said business, respondents now cause, and for sometime last past have caused, their said hats to be transported from their place of business in the State of New York to purchasers thereof located in various other States of the United States and the District of Columbia. Respondents maintain, and at all times mentioned herein have main-

tained, a substantial course of trade in said hats in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of their business, respondents purchase hat bodies from importers, convert said bodies into finished hats and sell them. When the aforesaid hat bodies are received by respondents, they bear words stamped into the brims thereof, near the edge, or on tags attached thereto, disclosing the foreign country of origin of the bodies. In the course of finishing the hats, respondents remove the words stamped into the brims of the hat bodies so marked by shearing off the edges of the brims and remove the tags from the hat bodies so marked. When the finished hats are sold by respondents, said hats bear no disclosure of the foreign country of origin of the imported bodies from which they are made.

PAR. 5. In the absence of an adequate disclosure of the foreign country of origin of imported products or substantial parts thereof, including women's hats and the bodies from which such hats are made, the public understands and believes that such products are entirely of domestic origin, a fact of which the Commission takes official notice.

A substantial portion of the purchasing public has a preference for products, including women's hats, which are entirely of domestic origin, a fact of which the Commission also takes official notice.

PAR. 6. Through the use of the aforesaid practices, respondents place in the hands of retailers the means and instrumentalities by and through which they may mislead and deceive the public as to the origin of respondents' hats.

PAR. 7. In the conduct of their business, at all times mentioned herein, respondents have been in substantial competition, in commerce, with corporations, firms and individuals in the sale of hats of the same general kind and nature as those sold by respondents.

PAR. 8. The use by respondents of the aforesaid practices has had, and now has, the capacity and tendency to mislead and deceive members of the purchasing public into the purchase of substantial quantities of respondents' hats in the erroneous and mistaken belief that said hats are entirely of domestic origin.

PAR. 9. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury of the public and of respondents' 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 respondents named in the caption hereof, and the respondents 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 respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents 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 respondents 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 respondents have 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 M. Levinson & Sons, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business at 596 Broadway, New York, New York.

Respondents Harold Levinson and Benjamin Rosenthal 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 M. Levinson & Sons, Inc., a corporation, and its officers, and Harold Levinson and Benjamin Rosenthal, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or

Complaint

69 F.T.C.

through any corporate or other device, in connection with the offering for sale, sale and distribution of hats or any other products in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale or selling hats containing fur or wool felt bodies which have been made in a foreign country unless the country of origin of such bodies is revealed by a marking or stamping on an exposed surface of the hats which is of such conspicuousness as to be clearly visible to prospective purchasers of the hats and so placed as not to be readily hidden or obliterated, and of such a degree of permanency as to remain on the hats until sold to the consumer;

2. Furnishing the means and instrumentalities to others by and through which they may mislead the public as to the country of origin of such hats.

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.
