
IN THE MATTER OF
PHILIP MORRIS ORIGINALS, LTD., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION, THE WOOL PRODUCTS LABELING
AND THE TEXTILE FIBER PRODUCTS IDENTIFICATION ACTS

Docket C-1112. Complaint, Sept. 19, 1966—Decision, Sept. 19, 1966

Consent order requiring a New York City manufacturer of men's slacks to
cease misbranding and falsely guaranteeing its wool and textile fiber
products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission
Act, the Wool Products Labeling Act of 1939, and the Textile

Complaint

70 F.T.C.

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 Philip Morris Originals, Ltd., a corporation, Saul Devorkin, individually and as an officer of said corporation, and Philip Morris Devorkin, individually and as manager and principal stockholder of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939 and 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 Philip Morris Originals, Ltd., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Its office and principal place of business is located at 19 West 36th Street, New York, New York. Said corporate respondent manufactures and sells men's slacks composed of woolen and synthetic fibers, and blends thereof.

Individual respondent Saul Devorkin is an officer, and Philip Morris Devorkin is manager and principal stockholder of the said corporation and they formulate, direct and control the acts, practices and policies of the said corporation. Their office and principal place of business is the same as that of said corporation.

PAR. 2. Subsequent to the effective date of the Wool Products Labeling Act of 1939, respondents have manufactured for introduction into commerce, introduced into commerce, sold, transported, distributed, delivered for shipment, shipped, 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 by the respondents 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 men's slacks stamped, tagged, labeled, or otherwise identified by respondents as "55% Dacron, 45% Wool," whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than represented.

PAR. 4. Certain of said wool products were further misbranded by the respondents 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 as to their country of origin.

Among such misbranded wool products, but not limited thereto, were men's slacks stamped, tagged, labeled, or otherwise identified, with such terms as "Creazione Italiane" and "DEL'ORSO di ROMA," thereby representing that such slacks were of Italian origin, whereas in truth and in fact such products were not of Italian origin.

PAR. 5. Certain of said wool products were misbranded by the respondents 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, as to their method of manufacture.

Among such misbranded wool products, but not limited thereto, were men's slacks stamped, tagged, labeled, or otherwise identified, with such terms as "Hand Needled," thereby representing or implying that such slacks were substantially hand-sewn, whereas in truth and in fact such products were not substantially hand-sewn.

PAR. 6. Certain of said wool products were further misbranded by the respondents 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, as to their construction or composition.

Among such misbranded wool products, but not limited thereto, were men's slacks stamped, tagged, labeled, or otherwise identified, with such terms as "genuine Raeford 2/80's, 2 Ply—80's quality," thereby representing or implying that such slacks were of two-ply construction or composition, whereas in truth and in fact, such slacks were not of two-ply construction or composition.

PAR. 7. Certain of said wool products were further misbranded by respondents 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.

Complaint

70 F.T.C.

Among such misbranded wool products, but not limited thereto, were wool products with labels on or affixed thereto which failed to disclose the percentage of the total fiber weight of the said wool product, exclusive of ornamentation not exceeding 5% of the total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool present in the wool product when said percentage by weight of such fiber was 5% or more; and (5) the aggregate of all other fibers.

PAR. 8. 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 the respective common generic names of fibers present in such wool products were not used in naming such fibers in the required information, in violation of Rule 8 of said Rules and Regulations.

PAR. 9. The acts and practices of the respondents 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. 10. 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, manufacture for introduction, sale, advertising, and offering for sale, in commerce, and in the transportation or causing to be transported in commerce, and 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 had 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 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. 11. The respondents furnished false guaranties that certain of their textile fiber products were not misbranded or falsely invoiced, in violation of Section 10(b) of the Textile Fiber Products Identification Act.

PAR. 12. The acts and practices of respondents, as set forth in

Paragraphs Ten and Eleven 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 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 Textiles and Furs 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, the Wool Products Labeling Act of 1939 and the Textile Fiber Products Identification Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, and 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 said Acts, 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 Philip Morris Originals, Ltd., 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 located at 19 West 36th Street, New York, New York.

Respondent Saul Devorkin is an officer and Philip Morris Devorkin is manager and principal stockholder of the said corporation. Their office and principal place of business 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 Philip Morris Originals, Ltd., a corporation, and its officers, and Saul Devorkin, individually and as an officer of said corporation, and Philip Morris Devorkin, individually and as manager and principal stockholder of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, distribution or delivery for shipment or shipment in commerce, of men's slacks composed in whole or in part of wool, or other wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding wool products by:

A. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying any such wool product as to the character or amount of constituent fibers included therein.

B. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying any such wool product as to the country of origin of such wool product.

C. Setting forth on labels affixed to any such wool product such terms as "Creazione Italiana" and "DEL'ORSO di ROMA," or any words, terms, depictions, or symbols of similar import, connoting Italian origin when such wool product is not of Italian origin.

D. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying any such wool product as to the method of manufacture of such wool product.

E. Setting forth on labels affixed to any such wool product such terms as "Hand Needled," or any words, terms, depictions, or symbols of similar import, connoting the product to be substantially hand-sewn, when such wool product is not substantially hand-sewn or hand stitched.

F. Falsely or deceptively stamping, tagging, labeling or otherwise identifying any such wool product as to the construction or composition of such wool product.

G. Setting forth on labels affixed to any such product such terms as "genuine Raeford 2/80's 2 Ply—80's quality," or any words, terms, depictions, or symbols of similar import,

connoting two-ply construction or composition, when such wool product is not of a two-ply construction or composition.

H. Failing to securely affix to, or place on, each such wool product a stamp, tag, label, or other means of identification 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.

I. Failing to set forth the common generic name of fibers in naming such fibers in the required information on stamps, tags, labels, or other means of identification attached to wool products.

It is ordered, That respondents Philip Morris Originals, Ltd., a corporation, and its officers, and Saul Devorkin, individually and as an officer of said corporation, and Philip Morris Devorkin, individually and as manager and principal stockholder 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, manufacture 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 furnishing a false guaranty that any textile fiber product is not misbranded or falsely invoiced.

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

70 F.T.C.

IN THE MATTER OF

LU MAR FASHIONS, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION, THE FUR PRODUCTS LABELING AND THE
WOOL PRODUCTS LABELING ACTS

Docket C-1113. Complaint, Sept. 19, 1966—Decision, Sept. 19, 1966

Consent order requiring a New York City clothing manufacturer to cease misbranding its fur and wool products and falsely invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Fur Products Labeling 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 Lu Mar Fashions, Inc., a corporation, and Louis Marangione and William Gordon, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Fur Products Labeling Act and 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 Lu Mar Fashions, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Louis Marangione and William Gordon are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are manufacturers of fur products and wool products with their office and principal place of business located at 265 West 37th Street, New York, New York.

PAR. 2. Subsequent to the effective date of the Fur Products Labeling Act on August 9, 1952, respondents have been, and are now, engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertis-