IN THE MATTER OF

H. L. WHITING COMPANY ET AL.

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

Docket C-1193. Complaint, April 11, 1967—Decision, April 11, 1967

Consent order requiring a Los Angeles, Calif., clothing manufacturer to cease misrepresenting the fiber content of its wool products on labels and in advertisements.

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 H. L. Whiting Company, a corporation, and Paul H. Blanton and Stanley W. Sharpe, 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 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 H. L. Whiting Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California. Its office and principal place of business is located at 230 West Avenue Twenty-six, Los Angeles, California.

Individual respondents Paul H. Blanton and Stanley W. Sharpe are officers of said corporate respondent. They formulate, direct and control the acts, practices and policies of said corporate respondent, including those complained of herein. Their office and principal place of business is the same as that of the corporate respondent.

Said respondents manufacture and distribute wool products among which are athletic award jackets and clothing.

PAR. 2. Now and for some time last past, 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 de-

fined in the Wool Products Labeling Act of 1939, 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 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 jackets stamped, tagged, labeled, or otherwise identified by respondents to show that certain portions thereof were composed of "90% reprocessed wool and 10% other fibers," 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 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.

Among such misbranded wool products, but not limited thereto, were wool products with labels on or affixed thereto which failed to disclose the percentages of the total fiber weight of the said wool products, 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, when said percentage by weight of such fiber was 5% or more; and (5) the aggregate of all other fibers.

PAR. 5. 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 methods of competition and unfair and deceptive acts and practices, in commerce, within the intent and meaning of the Federal Trade Commission Act.

PAR. 6. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale and distribution of certain products, namely athletic jackets and clothing to purchasers thereof. In the course and conduct of their business, respondents now cause, and for some time last past have caused, their said products when sold, to be shipped from their place of business in the State of California to purchasers thereof in various

other States of the United States and maintain, and at all times mentioned herein have maintained a substantial course of trade in said products in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. In the course and conduct of their business in soliciting the sale and selling their products, respondents falsely and deceptively advertised their said products in catalogues distributed to customers throughout the United States, with respect to the character and amount of the constituent fibers contained therein.

Among such false and deceptive advertisements, but not limited thereto, were advertisements representing their said products as containing 100% wool, whereas in truth and in fact, said products contained substantially different fibers and amounts of fibers than as represented.

PAR. 8. 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 wool products of the same general kind and nature as those sold by respondents.

PAR. 9. The use by respondents of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead dealers and other purchasers into the erroneous and mistaken belief that said statements and representations were, and are, true and into the purchase of substantial quantities of respondents' products by reason of said erroneous and mistaken belief.

PAR. 10. The aforesaid acts and practices of respondents as herein alleged were, and are, to the prejudice and injury of the public and of respondents' competitors, and constituted, and now constitute unfair methods of competition and unfair and deceptive acts and practices in commerce in violation of Section 5(a)(1) 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 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 and the Wool Products Labeling Act of 1939; 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 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 H. L. Whiting Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 230 West Avenue Twenty-six, Los Angeles, California.

Respondents Paul H. Blanton and Stanley W. Sharpe 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 H. L. Whiting Company, a corporation, and its officers, and Paul H. Blanton and Stanley W. Sharpe, 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 introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, distribution, delivery for shipment or shipment, in commerce, of wool products, as "commerce" and "wool product" are defined in the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely and deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein.

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

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.

It is further ordered, That respondents H. L. Whiting Company, a corporation, and its officers, and Paul H. Blanton and Stanley W. Sharpe, 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 offering for sale, sale or distribution of their 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 jackets or any other textile products in advertisements or in any other manner.

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.

IN THE MATTER OF

ALLAN LAWRENCE DOING BUSINESS AS CROWN MUSIC COMPANY

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

Docket C-1194. Complaint, Apr. 12, 1967—Decision, Apr. 12, 1967

Consent order requiring a New York City promoter of songwriting services to cease misrepresenting the nature of his services, the potential commercial value of the poems submitted, his connections in the music publishing field, and his own musical background and accomplishments.

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 Allan Lawrence, also known as Larry Allen, doing business as Crown Music 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 it charges in that respect as follows:

PARAGRAPH 1. Respondent Allan Lawrence, also known as Larry Allen, is an individual doing business as Crown Music Company with his office and principal place of business located at 49 West 32nd Street, New York, New York, 10001.

PAR. 2. Respondent is now, and for some time last past has been, engaged in the advertising, offering for sale and sale of songwriting services to the public.

Respondent, under the name Crown Music Company, advertises that poems are wanted which can be set to music and solicits the public to send in poems for free examination. Persons submitting poems in response to the advertisement receive a form letter stating that their poems have been examined and found suitable for adapting to respondent's music. A blank contract enclosed with the letter provides that in consideration of the payment of $39 Crown Music Company will compose music for the poem consisting of a professional manuscript voice and piano arrangement and will obtain a copyright for the song in the author's name. Also enclosed with the letter accepting the poem is a brochure and other printed materials holding out the promise of a professional songwriting career with the "collaboration" of the respondent. After the inital services are completed the author of the poem continues to receive other promotional material from respondent urging that he avail himself of additional services, upon payment of additional sums, designed to promote the song commercially.

PAR. 3. In the course and conduct of his business respondent now causes, and for some time last past has caused, blank contracts to be transmitted from his place of business in the State of New York, through the United States mails, to prospective purchasers of his services located in various States of the United States, receives from said persons executed contracts and payments and sends to them the completed song manuscripts. Respondent maintains, and at all times mentioned herein has maintained, a substantial course of trade, in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course and conduct of his business, and for the purpose of inducing the purchase of his services, respondent has made various statements and representations in contact advertising in magazines of national circulation and in followup direct mail promotional material respecting the nature of the services offered, the potential commercial value of poems submitted, his

collaboration with authors of poems, his contacts in the music field, the commercial success of songs produced and promoted by him, and his musical accomplishments, background and connection with the music world.

Among and typical, but not all inclusive, of said statements and representations, are the following:

The contact advertisements:

POEMS WANTED
TO BE SET TO MUSIC
Send one or more of your best poems
today for FREE EXAMINATION. Any
subject. Immediate consideration.
Phonograph records made.
Crown Music Co., 49 W 32nd St., Studio 560,
New York 1.
POEMS WANTED for songs
Send poems.
Crown Music Co.

POEMS WANTED for musical setting
and recording. Send poems. Free
Examination. Crown Music, 49M,
West 32, New York 1.

The followup direct mail promotional material:

Dear Friend:

Many thanks for submitting your material to us. We have examined your lyrics and will be glad to collaborate with you.

* * * We will compose an appropriate and appealing melody for your words, in an up-to-date, professional manner. Your poem will thus become a complete song.

CROWN MUSIC COMPANY offers you competent, sincere, and professional aid of the highest type available, in the complete preparation of your songs.

We sincerely believe that we are best equipped to work with you in your song writing efforts. And we are right here in New York, the center of the music publishing and recording business.

The small amount we ask you to pay toward collaboration expenses is your investment in the work of your own creation.

Don't delay! Your decision to act now may be the one most important step to get you started on a career with amazing possibilities for FAME and FORTUNE.

IMPORTANT MESSAGE TO
EVERY WRITER OF SONG POEMS

Here is your opportunity to have your poems set to music by professional songwriters. Our plan is simple. Submit one or more of your poems to us for free examination. If we find them suitable for musical setting, we will so

advise you and give you full details and information. If we find them unsuitable, we will tell you so, and return your poems promptly. In either case you are under no obligation, so you have nothing to lose.

But * * * you may have much to gain. CROWN MUSIC COMPANY is one of the foremost professional composing and arranging studios in the field. Our staff is ready to work with you to develop your poem into a fine song. We study your poem, revise it where necessary and set it to music * * * with a good attractive, commercial melody.

The amazing demand for phonograph records and songs by new writers means a greater opportunity for you today than ever before. Take advantage of it * * * now!

The first step is to send us your song lyrics.

How You Can Open the Door to a
SONG WRITING CAREER

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DO YOU WANT TO MAKE MONEY IN SONG WRITING?
This Exceptional Plan Enables You to
Transform Your Poem into a Professionally Correct and Polished Song. A
MINIMUM OF EXPENSE Gets You Started
on a Song Writing Career.

A GREAT DEAL OF MONEY is being made in the songwriting business. A single song hit can make $10,000 or $20,000, or even more for its writers * * * some of the songs which reach the top every season are songs by new composers and lyricists. Unknown * * * *The door is now open to new writers. Writers like yourself.*

MANY WRITERS, perhaps like yourself, produce some really good poems. Poems that may be excellent material for a song. But an undeveloped lyric or poem is not marketable. Not until it is set to good music * * * with *good* music it becomes a potential hit, a money-maker.

TO SUCCEED you need professional help. There are definite standards and requirements that must be met in order to produce a good commercial song. * * *

HOW TO GET STARTED * * *.

It is important for you, as a songwriter to select a collaborator who can supply a melody that meets * * * professional standards * * * and one who can give you advice and guidance in your songwriting career. CROWN MUSIC COMPANY does these things for you. When we receive your poem we study it very carefully * * * we develop it * * * polish it up * * * bring out the best in it * * * do what a professional writer would do * * * Then we write a melody—a good commercial, attractive melody which has appeal. Your poem * * * gets that professional touch!

SELECTING THE RIGHT COLLABORATOR IS IMPORTANT

* * * Our melodies reflect the present day treatment essential in all commercially successful songs. Our experience in the music business and our contacts here in the music capital of the nation, New York, where the largest and most important music publishers and record companies are located, gives you a decided advantage in promoting your finished product.

* * * you may be sure that your words will be set to music by the top craftsmen in the field.

* * * At the head of our staff of professional musicians and composers is our

Director and Chief composer, Larry Allen * * * He composed a score for a very successful musical comedy show. He has been in the music business, both as composer, songwriter and orchestra leader for more than 25 years. His long association with songs and songwriters puts him in an excellent position to be of service to you.

* * * * * * *

Q: If I write only words, how can I get good music for my song?

A: Crown Music Company is equipped to give you the highest type of professional music available anywhere. If your words have a good idea, we will polish them up, revise them where needed, compose a beautiful melody and give you a completed professional song.

Q: When I send my song poems to Crown Music Company, will I get an honest opinion as to whether they are worthy of musical setting?

A: Yes. We reject all poems we consider not suitable and return them to the Author with suggestions for improvement.

Q: It is possible for a new writer to succeed in songwriting?

A: Yes. Many song hits are by new writers whose first attempt was a success.

Q: Can [a songwriting] hobby become profitable?

A: Every successful songwriter began by writing songs as a hobby. When their first song became a hit, their hobby turned into a profitable profession. Many have earned $50,000 from one song.

PAR. 5. Through the use of the above quoted statements and representations, and others of similar import and meaning but not expressly set out herein, respondent represents and has represented, directly or by implication, that:

1. Crown Music Company needs and is making a bona fide request for poems which can suitably be combined with music of its own composition to produce songs, and that authors will be paid for acceptable poems.

2. Crown Music Company's act of accepting a poem evinces a critical evaluation and bona fide determination by it that the poem can be combined with a melody of its own composition to produce a commercially attractive song.

3. Crown Music Company is collaborating with authors in combining its music with their poems in a commercial venture for their mutual profit.

4. In addition to setting the submitted poems to music Crown Music Company will, for the fee of $39, promote and publicize the resultant song.

5. Respondent has personal contacts with music publishers, recording companies and others in the city of New York through whom he can promote songs containing the submitted poems.

6. Crown Music Company has produced and promoted many commercially successful songs with poems submitted by the pub-

lic; and that songs produced in this way can produce substantial earnings for authors of poems.

7. Respondent composed a score for a successful professional musical comedy show, that he is and has been in the music business as songwriter and orchestra leader for more than twenty years, and that his long association with the songwriting field puts him in position to successfully promote songs.

PAR. 6. In truth and in fact:

1. Crown Music Company is not in need of poems to produce songs nor is the advertised request for poems bona fide. Respondent's contact advertisements are solely for the purpose of obtaining leads to purchasers of his services, and authors whose poems are accepted by respondent do not receive any payment.

2. Crown Music Company, in accepting a poem, has not made a critical evaluation and determination that the poem can be combined with its own melody to produce a commercially attractive song. Rather, respondent indicates acceptance in order to induce the author of the poem to purchase his services.

3. Crown Music Company is not collaborating with authors in combining its music with their poems in a commercial venture for their mutual profit. Instead, respondent combines his music with such poems for the purpose of exploiting the sale of services to authors for his sole profit.

4. The initial contract with the author enumerates the specific services to be performed by respondent for the stated fee of $39 which does not include promotion of the finished song. However, accompanying advertising material referring to promotion of the song fails to disclose that there will be additional substantial charges for this service, thus representing, by implication, that respondent will promote the song as part of his services under the initial contract.

5. Respondent does not have personal contact with music publishers, recording companies or others in the city of New York which are used to promote songs. Respondent's songs are distributed to a mailing list of firms and individuals with whom he has no personal contact.

6. Crown Music Company has not produced or promoted a commercially successful song with any of the poems submitted to it by the public and songs produced in this way have not produced substantial earnings for authors of poems.

7. Larry Allen has not composed a score for a professional musical comedy. He has not been connected with an orchestra since the end of the 1930's and he has no associations in the song-

writing field which help in the promotion of songs made with poems submitted by the public.

Therefore, the statements and representations as set forth in Paragraphs Four and Five hereof were and are, false, misleading and deceptive.

PAR. 7. In the course and conduct of his business, at all times mentioned herein, respondent has been in substantial competition in commerce, with corporations, firms, and individuals in the sale of songwriting services.

PAR. 8. The use by respondent of the aforesaid false, misleading and deceptive statements, representations, and practices has had, and now has, the tendency and capacity to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of respondent's services by reason of said erroneous and mistaken belief.

PAR. 9. The aforesaid acts and practices of the respondent, as herein alleged, were and are all to the prejudice and injury of the public and 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 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 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 Allan Lawrence, also known as Larry Allen, is

an individual doing business as Crown Music Company, with his office and principal place of business located at 49 West 32nd Street, New York, New York, 10001.

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 Allan Lawrence, also known as Larry Allen, an individual doing business as Crown Music Company, or under any other name or names, and respondent's agents, representatives and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of songwriting or song promotional services or any article of merchandise in connection therewith in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication:

1. That respondent needs or wants poems to be used by him in producing his songs when such poems are neither needed nor wanted for such purpose; or using any advertising, sales plan or procedure involving the use of false, deceptive or misleading statements or representations to obtain leads or prospects for the sale of respondent's services or products; or failing to disclose in any advertisement soliciting the submission of poems that the purpose of such advertising is to obtain leads for the sale of respondent's songwriting and song promotional services.

2. That respondent will pay for poems which are submitted and found acceptable.

3. That in accepting a poem submitted to him pursuant to his contact advertisements respondent makes a critical evaluation of it and a bona fide determination that it can be suitably combined with a melody of his own composition to produce a commercially attractive song; or misrepresenting in any manner, the professional merit or commercial potentialities of songs produced with poems submitted to him by the public.

4. That respondent is collaborating with authors of poems in producing songs as a commercial venture for their mutual profit.

5. That under the initial contract pursuant to which a song is produced by combining respondent's music with the

submitted poem, respondent will promote and publicize the resultant song without additional payment for such services; or misrepresenting, in any manner, the amount, degree or extent of the promotional or publicizing efforts or other services furnished or provided under any express or implied contract or agreement.

6. That respondent has personal contacts with music publishers, recording companies or others engaged or connected with the music business in the city of New York or elsewhere, assuring the successful commercial promotion of or substantial earnings from songs composed with poems submitted by the public; or misrepresenting in any manner respondent's effectiveness in promoting songs commercially or the amount of earnings from songs promoted by respondent.

7. That respondent has produced or promoted any commercially successful songs composed with poems submitted to him by the public.

8. That respondent composed a score for a successful professional musical comedy show; or that he is currently, or has been in the recent past, actively connected with an orchestra; or that he has associations because of his musical and songwriting career which help him to successfully promote the songs composed with poems submitted by the public; or misrepresenting in any manner respondent's accomplishments, abilities, activities, background, associations or connections in the field of music.

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.