

IN THE MATTER OF
MEIMAN MILLS, INC., ET AL.

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

Docket C-1233. Complaint, June 27, 1967—Decision, June 27, 1967

Consent order requiring a Yantic, Conn., manufacturer of woolen yarn to cease misbranding and falsely guaranteeing its wool products.

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 Meiman Mills, Inc., a corporation, and Sheldon Meiman, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act 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 Meiman Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut with its office and principal place of business located in Yantic, Connecticut.

Proposed individual respondent Sheldon Meiman is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation, and his address is the same as that of the corporate respondent.

Respondents are engaged in the purchase of wool and textile stock, blending and spinning such stock into yarns, and the sale of said yarns in interstate commerce.

PAR. 2. Respondents now, and for some time last past, 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 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 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 wool products, namely yarns, which contained substantially different amounts and types of fibers than were set forth on the labels thereto affixed.

Also among such misbranded wool products but not limited thereto, were wool products with labels using the word "Shetland" to designate, describe or refer to products not composed entirely of wool of Shetland sheep raised on the Shetland Islands or the contiguous mainland of Scotland.

PAR. 4. 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 labeled with respect to the country of origin of such products.

Among such misbranded wool products but not limited thereto, were wool products labeled "100% Imported Shetland," whereas, in truth and in fact, most of the stock used in the manufacture of said products was obtained from domestic sources. Respondents by means of the aforescribed labels falsely and deceptively represented, and contrary to fact, that the wool products to which they were attached originated on the Shetland Islands or the contiguous mainland of Scotland.

PAR. 5. 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 percentage of total fiber weight of the wool product, exclusive of ornamentation not exceeding five per centum 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 five per centum or more; and (5) 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 under the Wool Products Labeling Act of 1939, in the following respects:

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

(b) Information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder was set forth on the stamp, tag, label, or other means of identification on or affixed to wool products, in abbreviated form in violation of Rule 9 of said Rules and Regulations.

(c) The term "mohair" was used in lieu of the word "wool" in setting forth required fiber content information on labels affixed to wool products, when certain of the fibers so described were not entitled to such designation, in violation of Rule 19 of the Rules and Regulations promulgated under the Wool Products Labeling Act of 1939.

(d) The term "virgin" was used on a label affixed to a wool product when the wool product or the part thereof so described was not composed wholly of new or virgin wool which had never been used, or reclaimed, reworked, reprocessed or reused from spun, woven, knitted, felted, or otherwise manufactured or used products in violation of Rule 20 of said Rules and Regulations.

PAR. 7. Respondents have furnished false guaranties that certain of their wool products were not misbranded, when respondents in furnishing such guaranties had reason to believe that the

wool products so falsely guaranteed might be introduced, sold, transported, or distributed in commerce in violation of Section 9(b) of the Wool Products Labeling Act of 1939.

PAR. 8. The acts and practices of 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. 9. Respondents are now, and for some time last past, have been engaged in the offering for sale, sale, and distribution of certain products, namely yarns. In the course and conduct of their business as aforesaid, 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 Connecticut to purchasers located 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. 10. Respondents in the course and conduct of their business have made statements on invoices to their customers, misrepresenting the fiber content of certain of their products.

Among such misrepresentations, but not limited thereto, were statements setting forth the fiber content thereof as "100% Shetland Wool," thereby representing the products to be composed entirely of wool of Shetland sheep raised on the Shetland Islands or the contiguous mainland of Scotland, whereas, in truth and in fact, the product was not 100% Shetland Wool, but contained substantially different fibers and amounts of fibers than represented.

PAR. 11. The acts and practices as set forth in Paragraph Ten have the tendency and capacity to mislead and deceive the purchasers of said products as to the true content thereof.

PAR. 12. The aforesaid acts and practices of respondents, as herein alleged, were, and are, all to the prejudice and injury of the public, 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 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 there-

after 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 Meiman Mills, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of Connecticut, with its office and principal place of business located at Yantic, Connecticut.

Respondent Sheldon Meiman is an officer of said corporation and his 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 Meiman Mills, Inc., a corporation, and its officers, and Sheldon Meiman, individually and as an officer 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 by use of the word "Shetland" or any simulation thereof, either alone

or in connection with other words, to designate, describe, or refer to any product which is not composed entirely of wool from Shetland sheep raised on the Shetland Islands or the contiguous mainland of Scotland.

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

3. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the country of origin.

4. Failing to securely affix to, or place on, each such 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.

5. 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 such wool products.

6. Setting forth information required under Section 4(a) (2) of the Wool Products Labeling Act of 1939 and the Rules and Regulations promulgated thereunder, in abbreviated form on stamps, tags, labels, or other means of identification on or affixed to wool products.

7. Using the term "mohair" in lieu of the word "wool" in setting forth the required information on labels affixed to wool products unless the fibers described as "mohair" are entitled to that designation and are present in at least the amount stated.

8. Using the term "virgin" as descriptive of a wool product or part of a wool product, when the part so described is not composed wholly of new or virgin wool which had never been used or reclaimed, reworked, reprocessed or reused from spun, woven, knitted, felted or otherwise manufactured or used products.

It is further ordered, That respondents Meiman Mills, Inc., a corporation, and its officers, and Sheldon Meiman, individually and as an officer of said corporation, and respondents' 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 misbranded under the Wool Products Labeling Act of 1939 and the Rules and Regu-

lations promulgated thereunder, when there is any reason to believe that any wool product so guaranteed may be introduced, sold, transported or distributed in commerce.

It is further ordered, That respondents Meiman Mills, Inc., a corporation, and its officers, and Sheldon Meiman, individually and as an officer of the 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 yarns or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Shetland," or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product which is not composed entirely of wool of Shetland sheep raised on the Shetland Islands or the contiguous mainland of Scotland: *Provided, however,* That in the case of a product composed in part of wool of Shetland sheep and in part of other fibers or materials, such word may be used as descriptive of the Shetland wool content if there are used in immediate connection therewith, with at least equal conspicuousness, words truthfully describing such other constituent fibers or materials.

2. Misrepresenting the character or amount of constituent fibers contained in such yarns or other products on invoices, on shipping memoranda applicable thereto, 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.
