

ing circumstances.

IN THE MATTER OF
MAGELLAN CORPORATION ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE TEXTILE FIBER PRODUCTS IDENTI-
FICATION ACTS

Docket C-1300. Complaint, Feb. 26, 1968—Decision, Feb. 26, 1968

Consent order requiring a New York City firm of hosiery importers to cease misrepresenting the origin of its merchandise and misbranding its textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Textile 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 Magellan Corporation, a corporation, and Jack R. Cooper, individually and as a former officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under

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 Magellan Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondent Jack R. Cooper formerly was an officer of the corporate respondent. During the time Jack R. Cooper was an officer of said firm, he formulated, directed and controlled the acts, practices and policies of said corporate respondent, including the acts and practices hereinafter set forth.

Respondents are hosiery importers with their former office and principal place of business located at 350 Fifth Avenue, New York, New York.

PAR. 2. Respondents are now, and for some time last past, have been engaged in the introduction, delivery 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 have 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, either 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. 3. Certain of said textile fiber products, were misbranded in that they were not stamped, tagged, labeled or otherwise identified as required under the provisions of Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form as prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were textile fiber products with labels which failed to disclose the name of the country where imported products were processed or manufactured.

PAR. 4. Certain of said textile fiber products were misbranded by the respondents, in violation of the Textile Fiber Products Identification Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that nonrequired information was set forth on labels in such a manner as to interfere with, minimize,

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detract from, and conflict with information required by Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in violation of Rule 16(c) of the aforesaid Rules and Regulations.

PAR. 5. The acts and practices of the respondents as set forth 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 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 products, namely ladies' hosiery to the public. The respondents' said business is that of importing ladies' hosiery from sources in Yugoslavia, and selling said hosiery to the public throughout the United States. The respondents maintain, and for 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. Certain of said ladies' hosiery offered for sale and sold by respondents bore labels and marks misrepresenting the country of origin of such products. Among such ladies' hosiery, but not limited thereto, were hosiery to which were affixed labels that stated "Made in Italy."

Through the aforesaid labels respondents represented, contrary to fact, that such products were of Italian origin.

PAR. 8. The acts and practices of the respondents set out above 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 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 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 Textile Fiber Products Identification Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by

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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 respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Magellan Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Said firm was sold in November 1966.

Respondent Jack R. Cooper formerly was an officer of said corporation until November 1966 when said corporation was sold.

Respondents' former office and principal place of business was located at 350 Fifth Avenue, New York, New York.

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 Magellan Corporation, a corporation, and its officers, and Jack R. Cooper, individually and formerly 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, delivery 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 textile fiber products; or in connection with the sale, offering for sale, advertising, delivery, transportation or causing to be transported, of any textile fiber products, which have 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

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Textile Fiber Products Identification Act, do forthwith cease and desist from:

A. Misbranding textile fiber products by:

1. Failing to affix labels to such textile fiber products showing in a clear, legible and conspicuous manner each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

2. Setting forth on labels nonrequired information that interferes with, minimizes, detracts from, or conflicts with the required information.

It is further ordered, That respondents Magellan Corporation, a corporation, and its officers, and Jack R. Cooper, individually and formerly as an officer 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 imported ladies' hosiery or other products, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from misrepresenting on labels the name of the country where such hosiery or other products were processed or manufactured.

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.