

have complied with the provisions in the order set forth herein.

It is further ordered, That the motion of counsel supporting the complaint requesting certain corrections in the transcript of the oral argument before the Commission be, and it hereby is, granted.

Commissioner Nicholson not participating for the reason oral argument was heard prior to his appointment to the Commission.

IN THE MATTER OF

STERN-SLEGMAN-PRINS COMPANY ET AL.

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

Docket C-1325. Complaint, April 26, 1968—Decision, April 26, 1968

Consent order requiring a Kansas City, Mo., clothing manufacturer and retailer to cease misbranding and falsely advertising its fur, wool and textile fiber products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, the Fur Products Labeling Act, the Wool Products Labeling Act of 1939 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 Stern-Slegman-Prins Company, a corporation, trading under its own name and as Norkay Woolens, and Robert M. Slegman, Ferdinand Stern, Saul Slegman and Steven C. Higinbotham, 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, the Wool Products Labeling Act of 1939 and the Textile Fiber Product 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 Stern-Slegman-Prins Company is a corporation organized, existing under and doing business under and by virtue of the laws of the State of Missouri. The aforesaid corporation trades under its own name and as Norkay Woolens.

Respondents Robert M. Slegman, Ferdinand Stern, Saul Slegman and Steven C. Higinbotham 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 and retailers of fur products, wool products and textile fiber products, with their office and principal place of business located at 3122 Gillham Plaza, Kansas City, Missouri.

PAR. 2. Respondents are now, and for some time last past have been, engaged in the introduction into commerce, and in the manufacture for introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have manufactured for sale, sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products were misbranded in that they were not labeled as required under the provisions of Section 4(2) of the Fur Products Labeling Act and in the manner and form prescribed by the Rules and Regulations promulgated thereunder.

Among such misbranded fur products, but not limited thereto, were fur products with labels which failed:

1. To show the true animal name of the fur used in such fur product.
2. To show the country of origin of the imported furs contained in such fur product.

PAR. 4. Certain of said fur products were misbranded in violation of the Fur Products Labeling Act in that they were not labeled in accordance with the Rules and Regulations promulgated thereunder in that the term "natural" was not used on labels to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said Rules and Regulations.

PAR. 5. Certain of said fur products were falsely and deceptively advertised in violation of the Fur Products Labeling Act in that certain advertisements intended to aid, promote and assist, directly or

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indirectly, in the sale and offering for sale of such fur products were not in accordance with the provisions of Section 5(a) of the said Act.

Among and included in the aforesaid advertisements, but not limited thereto, were advertisements of respondents which appeared in catalogs having a wide circulation in Missouri and in other States of the United States.

Among such false and deceptive advertisements, but not limited thereto, were advertisements which failed:

1. To show the true animal name of the fur used in any such fur product.
2. To show that the fur contained in such products was bleached, dyed, or otherwise artificially colored, when such was the fact.
3. To show the country of origin of imported furs contained in any such fur product.

PAR. 6. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised fur products in violation of the Fur Products Labeling Act in that the said fur products were not advertised in accordance with the Rules and Regulations promulgated thereunder in that the term "natural" was not used to describe fur products which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of the said Rules and Regulations.

PAR. 7. The aforesaid acts and practices of respondents, as herein alleged, are in violation of the Fur Products Labeling Act and Rules and Regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices under the Federal Trade Commission Act.

PAR. 8. 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 the Wool Products Labeling Act of 1939, wool products as "wool product" is defined therein.

PAR. 9. Certain of said wool products were misbranded by 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 stamped, tagged, labeled, or otherwise identified by respondents as "Mohair Boucle," thereby representing that the said products were composed entirely of Mohair wool. In truth and in fact, said product contained substantially different fibers and amounts of fibers other than wool.

PAR. 10. Certain of said wool products were 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, was a wool product with a label 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 per centum of the said 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 per centum or more; and (5) the aggregate of all other fibers.

PAR. 11. 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 the following respects:

1. The respective common generic names of fibers present in the wool products were not used in naming such fibers in required information on stamps, tags, labels or other means of identification affixed to such wool products, in violation of Rule 8 of the aforesaid Rules and Regulations.

2. The term mohair was set forth in lieu of the term wool on the stamps, tags, labels or other means of identification affixed to such wool products, without setting forth the percentage of mohair in the said wool products, in violation of Rule 19 of the aforesaid Rules and Regulations.

3. Samples, swatches or specimens of wool products used to promote or effect sales of such products in commerce, were not labeled or marked to show the information required under Section 4(a)(2) of the Wool Products Labeling Act of 1939 and Rules and Regulations promulgated thereunder, in violation of Rule 22 of the aforesaid Act and Rules and Regulations.

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PAR. 12. The acts and practices of the respondents as set forth in Paragraphs Nine, Ten and Eleven above were, and are, in violation of the Wool Products Labeling Act of 1939 and 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. 13. Respondents are now, and for some time last past have been, 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 in 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 products" are defined in the Textile Fiber Products Identification Act.

PAR. 14. Certain of said textile fiber products were misbranded by respondents within the intent and meaning of Section 4(a) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in that they were falsely and deceptively stamped, tagged, labeled, invoiced, advertised, or otherwise identified as to the names or amounts of the constituent fibers contained therein.

Among such misbranded textile fiber products, but not limited thereto, were ladies' dresses advertised as "Silk Iridescent" thereby implying that the said fabric contained silk. In truth and in fact, such fabric contained substantially different fibers and amount of fibers other than silk.

PAR. 15. Certain of said textile fiber products were further misbranded by respondents in that they were not stamped, tagged, labeled, or otherwise identified to show each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act, and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among such misbranded textile fiber products, but not limited thereto, were swatches of fabric with labels which failed to disclose the true generic names of the fibers present.

PAR. 16. Certain of said textile fiber products were misbranded 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 the following respects:

1. Fiber trademarks were placed on labels without the generic names of the fibers appearing in immediate conjunction therewith in violation of Rule 17(a) of the aforesaid Rules and Regulations.

2. Fiber trademarks were placed on labels without a full and complete fiber content disclosure the first time the fiber trademark appeared on the labels in violation of Rule 17(b) of the aforesaid Rules and Regulations.

3. The generic name of a fiber was used in nonrequired information on labels affixed to textile fiber products, in such a manner as to be false, deceptive, and misleading as to fiber content or to indicate, directly or indirectly, that such textile fiber products were composed totally or in part of such fiber when such was not the case, in violation of Rule 17(d) of the aforesaid Rules and Regulations.

4. Samples, swatches or specimens of textile fiber products used to promote or effect sales of such products in commerce were not labeled or marked to show the information required under Section 4(b) of the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder, in violation of Rule 21(a) of the aforesaid Rules and Regulations.

PAR. 17. Certain of said textile fiber products were falsely and deceptively advertised in that respondents in making disclosures or implications as to the fiber content of such textile fiber products in written advertisements, used to aid, promote and assist, directly or indirectly, in the sale or offering for sale of said products, failed to set forth the required information as to fiber content as specified in Section 4(c) of the Textile Fiber Products Identification Act and in the manner and form prescribed by the Rules and Regulations promulgated under said Act.

Among the textile fiber products, but not limited thereto, were ladies' dresses which were falsely and deceptively advertised by means of catalogs distributed by the respondents throughout the United States in that the true generic names of the fibers present in such products were not set forth.

PAR. 18. By means of the aforesaid advertisements and others of similar import and meaning not specifically referred to herein, respondents falsely and deceptively advertised textile fiber products in violation of the Textile Fiber Products Identification Act in that

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said textile fiber products were not advertised in accordance with the Rules and Regulations in the following respects:

1. Fiber trademarks were used in advertising textile fiber products without a full disclosure of the fiber content information required by the said Act, and the Rules and Regulations thereunder, in at least one instance in said advertisements in violation of Rule 41(a) of the aforesaid Rules and Regulations.

2. Fiber trademarks were used in advertising textile fiber products containing more than one fiber and such fiber trademarks did not appear in the required fiber content information in immediate proximity and conjunction with the generic names of the fibers to which they related in plainly legible type or lettering of equal size and conspicuousness, in violation of Rule 41(b) of the aforesaid Rules and Regulations.

3. The generic name of a fiber was used in advertising textile fiber products, in such a manner as to be false, deceptive, and misleading as to fiber content and to indicate, directly or indirectly, that such textile fiber products were composed wholly or in part of such fiber when such was not the case, in violation of Rule 41(d) of the aforesaid Rules and Regulations.

PAR. 19. The acts and practices of the respondents as set forth in Paragraphs Fourteen, Fifteen, Sixteen, Seventeen and Eighteen above were, and are, in violation of the Textile Fiber Products Identification Act and the Rules and Regulations thereunder, and constituted, and now constitute, unfair methods of competition, and unfair and deceptive acts and 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 Fur Products Labeling 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, 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

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 Stern-Slegman-Prins Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its office and principal place of business located at 3122 Gillham Plaza, Kansas City, Missouri. It trades under its own name and as Norkay Woolens.

Respondents Robert M. Slegman, Ferdinand Stern, Saul Slegman and Steven C. Higinbotham 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 Stern-Slegman-Prins Company, a corporation, trading under its own name or as Norkay Woolens, or any other name or names, and its officers, and Robert M. Slegman, Ferdinand Stern, Saul Slegman and Steven C. Higinbotham, 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 sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution, of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the term "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

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A. Misbranding any fur product by :

1. Failing to affix a label to such fur product showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of Section 4(2) of the Fur Products Labeling Act.

2. Failing to set forth the term "natural" as part of the information required to be disclosed on a label under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

B. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of any such fur product, and which :

1. Fails to set forth in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(a) of the Fur Products Labeling Act.

2. Fails to set forth the term "natural" as part of the information required to be disclosed in advertisements under the Fur Products Labeling Act and the Rules and Regulations promulgated thereunder to describe such fur product which is not pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

It is further ordered, That respondents Stern-Slegman-Prins Company, a corporation, trading under its own name or as Norkay Woolens, or any other name or names, and its officers, and Robert M. Slegman, Ferdinand Stern, Saul Slegman and Steven C. Higinbotham, 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 manufacture for introduction into commerce, the 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 wool 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 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.

3. Failing to set forth the respective 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.

4. Using the term "mohair" in lieu of the term "wool" on stamps, tags, labels, or other means of identification affixed to wool products, without setting forth the percentage of mohair contained in such wool products.

5. Failing to affix labels showing in words and figures plainly legible all the information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939, to samples, swatches or specimens of wool products used to promote or effect the sale of such wool products.

It is further ordered, That respondents Stern-Slegman-Prins Company, a corporation, trading under its own name or as Norkay Woolens, or under any other name or names, and its officers, and Robert M. Slegman, Ferdinand Stern, Saul Slegman and Steven C. Higinbotham, 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, delivery for introduction, manufacture for introduction, sale, advertising or offering for sale, in commerce, or the transportation or causing to be transported, 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:

A. Misbranding any textile fiber product by:

1. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying such product as to the name or amount of constituent fibers contained therein.

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2. Falsely or deceptively stamping, tagging, labeling, invoicing, advertising, or otherwise identifying such product by representing, either directly or by implication, through the use of the terms "Silk Iridescent," or any other terms, that any fibers are present in the said textile fiber product when such is not the case.

3. Failing to affix a label to such a textile fiber product showing each element of information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

4. Using a fiber trademark on a label affixed to such a textile fiber product without the generic name of the fiber appearing on the said label.

5. Using a generic name or fiber trademark on any such label whether required or nonrequired, without making a full and complete fiber content disclosure in accordance with the Textile Fiber Products Identification Act and the Rules and Regulations promulgated thereunder the first time such generic name or fiber trademark appears on the label.

6. Using a generic name of a fiber or a fiber trademark on a label affixed to any such textile fiber product in such a manner as to be false, deceptive or misleading as to fiber content or to indicate, directly or indirectly, that such textile fiber product is composed wholly or in part of such fiber when such is not the case.

7. Failing to affix labels to samples, swatches or specimens of textile fiber products used to promote or effect the sale of such textile fiber products showing in words and figures plainly legible all the information required to be disclosed by Section 4(b) of the Textile Fiber Products Identification Act.

B. Falsely or deceptively advertising any textile fiber product by:

1. Making any representation, by disclosure or by implication, as to the fiber content of any textile fiber product in any written advertisement which is used to aid, promote, or assist, directly or indirectly, in the sale or offering for sale of such textile fiber product, unless the same information required to be shown on the stamp, tag, label, or other means of identification under Section 4(b) (1) and (2) of the Textile Fiber Products Identification Act is contained in the same advertisement, except that the percentages of the fibers present in a textile fiber product need not be stated.

2. Using a fiber trademark in advertising such textile fiber product without a full disclosure of the required content information in at least one instance in said advertisement.

3. Using a fiber trademark in advertising such textile fiber product containing more than one fiber without such fiber trademark appearing on the required fiber content information in immediate proximity and conjunction with the generic name of the fiber in plainly legible type or lettering of equal size and conspicuousness.

4. Using a generic name or fiber trademark of a fiber in advertising such textile fiber product in such a manner as to be false, deceptive, or misleading as to fiber content or to indicate, directly or indirectly, that such textile fiber product is composed wholly or in part of such fiber when such is not the case.

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.
